

Unfulfilled Potential: Overcoming the Flaws in EU-Africa Critical Raw Materials Cooperation

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Executive Summary

If Europe is to overcome its current dependence on China for critical raw materials (CRM), cooperation with African countries must be an integral part of its efforts. Around a third of the world's known CRMs – which are indispensable for Europe's core industries, green and digital technologies and the defense sector – are located on the continent. For certain minerals, this share is significantly higher. Considering that exploration spending across Africa has historically been lower than in other world regions, the continent's actual potential is likely to be even greater.

Many African governments have long-standing aspirations to better leverage their mineral sectors for economic development. They often especially want to advance local processing, which fundamentally fits Europe's agenda to diversify its CRM sources beyond China (even though the European Union (EU) also aims to process at least 40 percent of its CRM demand domestically). Increasing fiscal revenue and developing key infrastructure are also common priorities that offer clear avenues for European engagement.

The fact that European and African interests are broadly compatible does not in itself guarantee successful cooperation, however. In many African countries, weak energy and transport infrastructure, limited domestic capital, insufficient technical capacity, political conflicts over the control and distribution of revenues, and recurrent waves of resource nationalism hinder the effective development and growth of mining and processing industries. Another barrier is rooted in China's self-reinforcing global dominance in minerals processing. Beijing has fashioned its minerals industry into a state-backed and vertically integrated powerhouse and achieved a position from which it can control global supply and prices strategically. Any (in this case, African) newcomer will have a hard time competing in this environment and will find European clients in industries that ultimately turn materials into final products largely unwilling to pay a higher price for its goods. Finally, Europe is only one of several actors engaging with African states on CRMs, including an entrenched China but also G7 partners like the United States and Japan, the Gulf states, and others. Those actors' agendas sometimes complement European aims, but also often create complications.

EU and EU member state activity on CRMs in Africa has expanded since 2021. Since then, the EU has launched five EU-level strategic raw materials partnerships with African countries (alongside various bilateral member state agreements) and designated certain ventures as “strategic projects” that it seeks to support in finding financing and offtake solutions. The European Investment Bank and other European financing institutions have expanded their support for CRM projects. However, these efforts fall short of what is needed. Currently, out of the 60 EU strategic projects worldwide, only five are located in or connected to Africa; none of these projects have reached a final investment decision, while many continue to face substantial challenges. More broadly, projects enabled by EU or member state financing (or other direct support) remain few and far between, as do cases in which European firms act as investors, committed offtakers or project developers.

Two fundamental assumptions underpinning Europe's cooperation approach have proven misguided: (1) that diplomatic frameworks would by themselves mobilize private investment and (2) that alternative value chains could be incentivized and sustained through market mechanisms without active industrial policy. Accordingly, developers consistently report that a lack of demand at viable prices and difficult access to financing remain central obstacles. In addition, operational and political challenges in host states also arise regularly, even though developers tend to see them as a less salient challenge.

If Europe is serious about leveraging cooperation with Africa to strengthen its CRM supply security, its approach must become far more intentional and determined. Five strands of action are key. Europe must do the following:

1. Consistently structure CRM partnerships along priority projects

Cooperation efforts should consistently be anchored in concrete projects (ideally, clusters of projects), with joint commitments from the EU, member states, partner governments, and industry to bring the projects to fruition. Rather than waiting for applications from private developers, European institutions should actively establish a systematic framework of priorities, identify promising initiatives and develop them in concert with partner governments and suitable industry actors. Integrating each individual project into a viable end-to-end value chain outside China is critical. Designated projects should receive comprehensive political, financial and operational backing.

2. Ensure reliable demand at viable prices and suitable financing solutions

Ensuring that CRM projects find reliable demand at viable prices remains a key difficulty. One way to achieve this would be by adopting broad measures such as diversification requirements for European industries (generating a minimum level of demand for non-Chinese CRM) or price floors backed by tariffs (ensuring a viable offtake price). If the EU and member states cannot agree on such solutions soon, they will need to take action at the level of individual projects. One instrument to do so is contracts for difference, under which a public institution and a company agree on an offtake price in advance, with the public institution covering the gap if market prices turn out to be lower and receiving the surplus if market prices turn out to be higher. This could be complemented by a European stockpiling scheme acting as a strategic buyer. Europe's fragmented financing landscape should be consolidated to make funding more accessible. Instruments need more flexibility and resources to provide financing in the form most suited to each project, including the possibility to take ownership stakes in projects and to provide support at early stages of development. Environmental, social and governance (ESG) standards should be incorporated into financing conditions in a way that promotes continuous improvement rather than creating an additional upfront barrier to entry; the EU and its member states should also provide active support to help projects meet such requirements.

3. Build an institutional setup that can deliver this Europe–Africa cooperation model

To take up an active role in driving priority projects as envisaged here, Europe’s institutional setup needs to be up to the task. The EU CRM Centre that the European Commission is currently setting up should play a central role in advancing EU CRM efforts across the globe and should be equipped with corresponding resources. Coordination between key directorates-general in the European Commission needs to improve markedly, underpinned by a clearer political mandate that establishes supply security as the clear overarching objective. EU delegations should be reinforced with technical expertise and enabled to play a clearer lead role in coordinating European CRM-related activities on the ground. EU member states can help achieve these goals through better information sharing and greater emphasis on aligning their activities in areas such as CRM project financing and development cooperation along agreed common goals.

4. Act jointly with international partners

Europe should actively shape emerging formats such as the G7 Critical Minerals Resilience and Production Alliance (a partnership to secure and diversify CRM supply chains) and the Forum on Resource Geostrategic Engagement (FORGE, a US-led trade and investment coalition). Europe should also ensure that those African partners that are committed to substantive cooperation are adequately included within these formats. At the project level, third countries with strong expertise from their domestic mining and processing sectors (especially G7 partners such as Canada) can play a key role in advancing projects operationally and finding solutions for integration into supply chains outside China. Additionally, harmonized due diligence and ideally single-point-of-entry arrangements with close partners for joint project financing would reduce transaction costs for developers.

5. Ensure that successful projects improve EU supply security

In return for mobilizing resources on this scale, Europe should secure robust and transparent contractual commitments guaranteeing access to an adequate share of CRM production from the projects it supports. Recent cases demonstrate the importance of firmly ensuring with partner governments, industry actors and (where relevant) other external actors that non-European players cannot simply take over projects after years of painstaking development. Europe must also address directly with partner governments the potential risk of policy changes in host countries that could undermine European interests. Its leaders must present a credible partnership offer but should also make it clear that the success of joint CRM projects is of vital European interest and that partners reneging on critical agreements will face consequences. Being explicit about such expectations is not in tension with genuine partnership. Rather, it underlines the character of Europe–Africa CRM cooperation as an interest-based bargain that both sides take seriously.

Introduction

As European Commission President Ursula von der Leyen stressed at the 2025 African Union (AU)–EU summit in Luanda, Angola, “Africa and Europe need each other more than ever.”¹ Cooperation on minerals-based critical raw materials (CRM) is one of the areas offering clear potential. Europe has an urgent interest in seizing it.

CRMs are indispensable for Europe’s core industries such as automotive technologies, for green tech and the digital and artificial intelligence revolution, and for its defense sector. Europe currently relies overwhelmingly on China for many CRMs; Beijing controls more than 90 percent of the global supply of processed rare earths, gallium and germanium, for example. In recent years, Beijing has continuously expanded and tightened its control over CRM supply chains, protectively governing the export of these materials and intermediate products such as magnets, even enacting controls specifically directed against European defense firms. Europe’s dependence on China exposes the continent to economic and political blackmail and directly threatens its security.²

Making matters more pressing, global demand for many CRMs is expected to grow much faster than supply over the coming decades, opening a gap that would be concerning even in a politically benign environment. According to modeling done by the International Energy Agency (IEA), global demand for critical raw materials will nearly double by 2040 if governments implement the climate, energy and technology policies that they have currently committed to. Projected supplies for several key minerals are not expected to keep pace with this high demand. In the cases of copper and lithium, this is primarily due to insufficient mining capacity, while the production of many other battery materials will likely be limited due to a shortage of refining capacity.³ While we should treat such projections with caution (not least because bottlenecks and higher prices could contribute to efficiency gains and substitution), European governments and industry should heed the warning.

Meeting this CRM challenge requires urgent European action on all fronts. Expanding European domestic extraction and processing capacity, scaling up recycling efforts, pursuing substitution where possible, and moderating demand growth through efficiency improvements will all play an important role. But international partnerships will similarly prove indispensable to the European agenda.⁴

Europe’s engagement with Africa is therefore seeing a shift of perspective. For decades, many Europeans looked at the continent mainly through the prisms of conflict

¹ EU Delegation to Zambia, “Africa and Europe Renew Strategic Partnership at 7th AU-EU Summit in Luanda,” November 25, 2025, https://www.eeas.europa.eu/delegations/zambia/africa-and-europe-renew-strategic-partnership-7th-au-eu-summit-luanda_en.

² For broader context, see Thorsten Benner and Jakob Hensing, “Time to Get Serious with ‘De-Risking,’” *Internationale Politik Quarterly*, April 29, 2024, <https://ip-quarterly.com/en/time-get-serious-de-risking>.

³ IEA, “The Role of Critical Minerals in Clean Energy Transitions: Flagship Report” (2021) and “Critical Minerals Outlook” (2025, 2026), <https://www.iea.org/topics/critical-minerals>.

⁴ Florian Klumpp et al., *Out of the Dependency Trap: Why Germany’s and Europe’s Critical Raw Materials Policy Falls Short and How to Fix It* (Global Public Policy Institute, 2026), <https://gppi.net/2026/05/12/out-of-the-dependency-trap>.

management, sustainable development and human rights. In these contexts, mining was almost invariably treated with apprehension, even while European corporations played a key role in other areas of African natural resource extraction such as oil and gas. Now, Africa's rich endowment with critical minerals is increasingly recognized as an opportunity for interest-based cooperation. For example, three-quarters of known, economically exploitable deposits of platinum group metals and tantalum are located within Africa's crust, as are large shares of chromium, manganese and other minerals.⁵

Many African governments, in turn, have articulated commitments to better leverage their countries' critical minerals endowments for economic development. Over the last two decades, this agenda has predominantly taken the form of aspirations to advance local

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minerals processing in Africa itself and to develop industrial linkages. These aims have been codified, for instance, in the 2009 Africa Mining Vision and reinforced by the African Green Minerals Strategy in February 2025.⁶ They have also translated into a proliferation

of policy measures such as export bans on unprocessed materials. Successful African processing industries would contribute to Europe's resilience efforts in terms of diversifying global sources of CRM supply. While critics might note a tension with Europe's own aim of also building up domestic processing capacity, this tension is manageable, given that the EU Critical Raw Materials Act (CRMA) targets 40 percent of EU demand to be covered by domestic processing and that the EU seems unlikely to substantially exceed this target.⁷ Moreover, because processing conditions vary by material, domestic refining in Europe is neither technically feasible nor economically viable for all minerals. Cooperation on integrated mining and processing ventures therefore offers a clear angle for European engagement in Africa.

In practice, African countries have not always prioritized building processing capacity in recent decades. Rather, some have engaged in "resources-for-infrastructure" deals or expanded mining activities in pursuit of fiscal revenues, while accepting that materials were shipped elsewhere (overwhelmingly to China) for processing. Experts also continue to debate whether African governments *should* indeed focus on minerals processing as part of their national development strategies. Resolving this debate is beyond the scope of this report. Ultimately, only African governments themselves can determine their national priorities. Europe should openly engage with African counterparts on where the overlap in interests is strongest. If partners are most interested in infrastructure development or in mining projects that offer better revenue prospects than available alternatives, there is no reason why Europe should be unable to make attractive offers on these terms.

⁵ McKinsey & Company, *African Bedrock: How the Continent's Minerals Can Help Power the World* (2026), https://www.mckinsey.com/industries/metals-and-mining/our-insights/African-bedrock-how-the-continents-minerals-can-help-power-the-world?hsid=b2defd33-c50d-4fb0-ae6c-51cf0b6fdf51#.

⁶ African Union, "Africa Mining Vision," 2009, https://au.int/sites/default/files/documents/30984-doc-africa_mining_vision_english.pdf; African Minerals Development Centre, "Africa's Green Minerals Strategy," 2024, https://au.int/sites/default/files/documents/44539-doc-AGMS_Final.doc.pdf.

⁷ "Critical Raw Materials Act," European Commission, accessed September 28, 2026, https://single-market-economy.ec.europa.eu/sectors/raw-materials/areas-specific-interest/critical-raw-materials/critical-raw-materials-act_en.

Despite the strong case for Europe–Africa cooperation on CRM, success is far from guaranteed. The road ahead is riddled with very real obstacles that have held back the development of vibrant resource sectors in many African countries to date. Barriers include issues that are specific to national and regional contexts and tend to be particularly pronounced in Africa, such as inadequate energy and transport infrastructure and complex constellations of political interests around the sector.⁸ At the same time, the extraordinary degree of China’s dominance in the global CRM sector makes it difficult for projects aimed at building alternative value chains anywhere in the world to succeed. Developers struggle to find reliable demand at viable prices if they cannot match China’s scale and technology advantages, and their business cases are vulnerable to China’s ability to influence prices and available volumes of material strategically. Moreover, European efforts to engage with African governments on CRM take place in a context of increasingly tense global competition. To assert itself as a partner of choice, Europe needs a CRM cooperation model that delivers tangible industrial outcomes.

This report examines whether EU and EU member state engagement on CRM in Africa is rising to these challenges. It discusses the steps taken since 2021 and their observable impact (as reflected in policy reports, market data and industry reporting); it also draws on qualitative perspectives gathered from stakeholders involved in relevant efforts. Expert consultations mainly targeted two groups: (1) developers of mining and processing ventures in East and Southern Africa, including both projects designated as “strategic” under the CRMA and others with European financial participation and (2) officials from EU and member state implementation and facilitation agencies. To ensure candid feedback on commercially and politically sensitive matters, all interviews were conducted anonymously. In addition, the report draws on panel and workshop contributions from African and European stakeholders at the 2026 African Mining Indaba conference and other industry gatherings, as well as on direct exchanges at these occasions. The analysis does not claim to exhaustively cover all CRM ventures in Africa with European involvement but draws on a balanced selection of projects operating under diverse parameters, from host state policy and operational environments to the technical and market dynamics of specific supply chains.⁹

This report finds that Europe’s CRM cooperation with Africa falls critically short and requires a substantial rethink. Currently, EU and member state efforts remain focused on high-level diplomacy in pursuit of political frameworks for collaboration, as well as on offering financing solutions to support upfront investments by private developers (either from the EU itself or from reliable international partners). With only very limited operational support and especially in the absence of interventions in demand and pricing dynamics, these instruments are typically insufficient to overcome the obstacles sketched above. As a result, there are few examples of successful CRM mining or processing projects in Africa underwritten or in any apparent way enabled by EU or member state

⁸ Nelson Oppong et al., “Governing African Oil and Gas: Boom-Era Political and Institutional Innovation,” *The Extractive Industries and Society* 7, no. 4 (2020): 1163–70, <https://doi.org/10.1016/j.exis.2020.10.011>; Ricardo Soares de Oliveira, *Oil and Politics in the Gulf of Guinea* (Hurst, 2007).

⁹ Melanie Müller et al., *From Competition to a Sustainable Raw Materials Diplomacy: Pointers for European Policymakers*, SWP Research Paper 2023/RP 01 (2023), <https://www.swp-berlin.org/en/publication/from-competition-to-a-sustainable-raw-materials-diplomacy>.

efforts. Cases in which EU private sector firms act as investors, project developers or partners in African critical minerals sectors also remain exceedingly rare.

Other actors, including G7 partners such as the United States or Japan, have shown greater willingness than Europe to mobilize substantial financial resources and concerted political support for priority initiatives. While their efforts in Africa have also faced challenges and setbacks, they demonstrate how proactive project identification and determined financial backing can drive tangible results. The EU has taken one step in this direction, creating the instrument of “strategic projects” under the CRMA. However, only a handful of projects designated as such in a first round are located in Africa, and the support they receive is limited to providing visibility and assistance in the search for financing options and offtake agreements, without actually addressing the structural causes that make this search extremely difficult.

For Europe–Africa CRM cooperation to deliver on its promise, both the EU and its member states should build on the idea of “strategic projects” and further develop this idea into a consistently project-centered partnership model. They must address the offtake and financing problem head-on and reform their own institutional structures to enable effective delivery of this model. Finally, in return for mobilizing resources on this scale, Europe should secure firm and enforceable commitments from all actors involved, ensuring reliable access to an adequate share of the output from projects realized with European support.

The report develops this analysis and recommendations in four steps. Chapter 1 explores the opportunity and challenge of Europe–Africa CRM cooperation in greater detail. Chapter 2 provides an overview of the main relevant European policy initiatives since 2021, while Chapter 3 assesses their impact to date and their further prospects. Chapter 4 provides recommendations to EU and member state policymakers on this basis.

1. Europe-Africa CRM Cooperation: Opportunities and Challenges

1.1. High Potential and Compatible Interests

From a European perspective, Africa's potential as a partner on critical raw materials is obvious on account of the continent's resource endowment. About a third of the world's known reserves of critical raw materials are located in African countries.¹⁰ This includes more than three-quarters of economically recoverable deposits of platinum group metals and tantalum, as well as substantial shares of global cobalt, chromium and manganese reserves.¹¹ While less than 3 percent of proven reserves of rare earths are located in Africa, four countries — South Africa, Malawi, Uganda, and Namibia — have featured among the 10 most important sites for rare earth exploration globally in recent years.¹² Indeed, one of the defining features of most African raw materials sectors is a low degree of exploration, with the continent accounting for only about 10 percent of global exploration spending.¹³ This means that most African countries' potential is likely to be even greater than what the available numbers suggest.

Despite this natural bounty, only a handful of African countries are currently leading producers of CRM: the Democratic Republic of Congo (DRC) accounts for more than 70 percent of cobalt mining, South Africa plays a key global role in both the platinum group metals and manganese industries, and Gabon is similarly central in manganese production. But these are exceptions rather than the rule.¹⁴ And where CRM production in African countries does take place, it is typically limited to the extraction of raw materials, which are then shipped abroad — overwhelmingly to China — for processing.

European and African governments both have a clear interest in changing this situation. Europe's motivation is to reduce its concentrated dependency on China particularly in the midstream part of the supply chain and to alleviate the risk of future supply shortages. Importantly, European interests would only partially be served by gaining control over a greater share of the unprocessed materials currently already extracted in Africa — rather, building and expanding alternative supply chains outside China's control is key. African governments, similarly, have a lot to gain from improving their CRM industry. Currently,

¹⁰ Wenjie Chen et al., *Digging for Opportunity: Harnessing Sub-Saharan Africa's Wealth in Critical Minerals*, April 2024 Regional Economic Outlook: Sub-Saharan Africa Analytical Note (IMF, 2024), <https://www.imf.org/-/media/files/publications/reo/afr/2024/april/english/mineralsnote.pdf>.

¹¹ McKinsey & Company, *African Bedrock: How the Continent's Minerals Can Help Power the World*.

¹² Gracelin Baskaran and Meredith Schwartz, *Developing Rare Earth Processing Hubs: An Analytical Approach* (CSIS, 2025), <https://www.csis.org/analysis/developing-rare-earth-processing-hubs-analytical-approach>.

¹³ Gracelin Baskaran, "Underexplored and Undervalued: Addressing Africa's Mineral Exploration Gap," *CSIS Commentary*, May 9, 2025, <https://www.csis.org/analysis/underexplored-and-undervalued-addressing-africas-mineral-exploration-gap>.

¹⁴ Theophilus Acheampong et al., *Regional Note on Critical Minerals in Africa*, OECD Critical Minerals Forum Background Paper, with Lena Krause (2026), <https://www.oecd.org/content/dam/oecd/en/events/2026/04/critical-minerals-forum/oecd-critical-minerals-regional-note-africa.pdf>.

they realize only a small part of the potential economic benefits that could come with their natural CRM endowment, be it in terms of possible entry points for industrial development on the back of greater local processing, or simply in terms of turning the raw materials under their feet into fiscal resources to then pursue other development objectives.

As discussed in the introduction, it is beyond the scope of this report to provide advice to African countries on whether developing CRM processing capacity is a promising development strategy or not.¹⁵ This is a complex question that will often also hinge on how leaders weigh different economic and political objectives, on the materials involved and on specific local conditions. Two important points are clear. First, many African countries have embraced processing as a priority, not only in rhetoric but also through policies aimed at disincentivizing or preventing exports of unprocessed materials. Export bans, quotas, taxes, and licenses have proliferated in Africa in recent decades: almost 2,500 such restrictions were in place in 2021, compared with 1,000 in 2009.¹⁶ Second, the EU's CRMA goal of covering at least 40 percent of its own demand through European domestic processing is not a real obstacle to cooperating with African governments on setting up alternative, non-Chinese CRM supply. Europe is unlikely to scale its domestic processing capacity far beyond that target (if, indeed, it can be reached at all for some materials), especially as projects are likely to face pushback given their energy demands and the environmental challenges associated with them.

Conversely, even where African governments conclude that building domestic processing industries is not attractive after all, they could still benefit from working together with Europe as a way to maximize revenues from the extraction of raw materials and avoid excessive concentration on China as their single partner.¹⁷ There is no reason why Europe could not turn itself into an attractive partner on infrastructure development or on mining projects from which African countries obtain greater fiscal benefits, while building corresponding processing capacity in Europe or elsewhere in the world. Though it is not without tensions, the basic case for Europe–Africa collaboration on CRM is clear.

At the same time, building vibrant raw materials sectors — and especially successful processing industries — in Africa poses a real challenge. Historically, the sector is strongly associated with colonial-era exploitation, which inevitably also taints African perceptions of external involvement, especially from Europe. Despite (or perhaps because of) this legacy, African governments have long articulated aspirations to turn extractive industries into a key factor for broad-based development. The Africa Mining Vision,

¹⁵ For perspectives on this matter, see Ricardo Hausmann et al., *Examining Beneficiation*, CID Working Paper no. 162 (2008), <https://www.hks.harvard.edu/centers/cid/publications/faculty-working-papers/examining-beneficiation>; Mike Morris et al., “‘One Thing Leads to Another’—Commodities, Linkages and Industrial Development,” *Resources Policy* 37, no. 4 (2012): 408–16, <https://doi.org/10.1016/j.resourpol.2012.06.008>; Olle Östensson and Anton Löf, *Downstream Activities: The Possibilities and the Realities*, WIDER Working Paper no. 2017/113 (2017), <https://www.econstor.eu/bitstream/10419/163089/1/887558593.pdf>.

¹⁶ Philippe Bosse et al., *The Minerals Essential to the Energy and Digital Transitions: An Opportunity for Africa?*, A Question of Development: Synthesis of AFD studies and research (Agence française de développement, 2024), https://www.afd.fr/sites/default/files/2026-03/qdd68_va_web_accessible.pdf.

¹⁷ In Ghana, for example, discussions on the lithium sector have shifted from a strong emphasis on domestic processing to prioritizing mining production while monitoring global market developments and improving domestic conditions for future processing; see Thomas Scurfield and David Sefa Adjei, *Refining the Strategy: The Economics of Lithium Value Addition in Ghana* (Natural Resource Governance Institute, 2025), <https://resourcegovernance.org/publications/refining-strategy-economics-lithium-value-addition-ghana>.

adopted by the African Union in 2009, envisaged “transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development” and outlined a plan to gradually move from resource exploitation and infrastructure development to resource-based industrialization.¹⁸ These ideas were subsequently detailed in the African Green Minerals Strategy, which the AU adopted in February 2025.¹⁹ Similarly, various national economic development strategies of African governments have featured mineral resources as a field of action.²⁰

African aspirations on CRM are clearly not lacking. The fact, then, that African CRM sectors are currently delivering far less than they could suggests that these sectors have faced serious obstacles, both at the local and regional level and in terms of global industry dynamics and market conditions. These same barriers are also likely to prove critical for European efforts in Africa. Moreover, European CRM engagement in Africa does not take place in a vacuum, but amid efforts of other external actors that are in some cases compatible with Europe’s aims, but in others further complicate the picture.

1.2. Country-Level and Regional Challenges

Building a vibrant raw materials sector, and especially a globally competitive processing industry, is a demanding industrial policy challenge. Projects require substantial enabling infrastructure, above all reliable power and transport, firms with specific and often advanced technical capabilities and access to qualified staff, as well as a regulatory and policy environment stable enough to underwrite investment horizons measured in decades.²¹ Though conditions across African countries vary considerably, many states face difficulties on all these counts.

Several key constraints have historical roots. Colonial administrations invested heavily in infrastructure that enabled the extraction and export of raw materials, but the resulting corridors were designed to move ore to ports; colonial infrastructure did little to support domestic or regional processing and adjacent industrial development. The limited relevant infrastructure in place often fell into disrepair after these countries gained independence from European colonial powers.

Colonial-era investment in local capacity was similarly limited, with lasting consequences both for the state institutions charged with governing minerals sectors and for the relevant industrial base. This includes state-owned enterprises, which continue to play an important role and have indeed seen a certain renaissance in many African countries’

¹⁸ African Union, “Africa Mining Vision.”

¹⁹ African Minerals Development Centre, “Africa’s Green Minerals Strategy.”

²⁰ Inga Carry et al., *The EU’s External Raw Materials Strategy: Key Fields for Action*, SWP Working Paper (2025), https://www.swp-berlin.org/publications/products/fachpublikationen/250819_WP_FG6_EU%E2%80%99s_External_Raw_Materials_Strategy.pdf.

²¹ Center for Critical Minerals Strategy (SAFE), *Critical Moves: Crowding in Capital to Finance Minerals Supply Chains* (2026), <https://secureenergy.org/critical-moves-critical-minerals-financing/>; Vlado Vivoda, “What Attracts Critical Minerals Processing? Investment Conditions beyond the Mine,” *Mineral Economics*, ahead of print, July 7, 2026, <https://doi.org/10.1007/s13563-026-00674-3>; Theophilus Acheampong and Sarah Logan, “From Ore to More: Mineral Partnerships for African Industrialisation,” ECFR Commentary, August 28, 2025, <https://ecfr.eu/publication/from-ore-to-more-mineral-partnerships-for-african-industrialisation/>.

mining sectors. For example, the role of the DRC's Gécamines has been expanded in recent years through various contract renegotiations, while South Africa's Industrial Development Corporation (IDC) has increasingly acted as an anchor investor, and Zambia's IDC has sought to position itself as a partner in greenfield projects.²² While joint ventures like the one between Zambia's IDC and commodity trader Mercuria demonstrate potential for engagement with these actors, they often appear to serve more to control the allocation of resource revenues than to support cogent industrial policy efforts.²³

Meanwhile, large-scale global mining firms ("majors") with colonial-era roots, such as London-headquartered company Anglo American, continue to play an important role in African resource sectors, but strategically concentrate on specific commodities and do not drive sector development across the board. African private capital available for mining and downstream projects has only recently emerged as a relevant factor and remains limited. Privately owned African firms capable of driving complex, large-scale mining or processing projects remain few in number and heavily concentrated in South Africa.

While many African minerals sectors are not as large as they could be, they nonetheless carry considerable weight in their respective national economies. For instance, in 2024, over half of all African states derived at least 60 percent of their total export revenues from oil, gas or minerals — a dependency that reached roughly 75 percent in Zambia and an extreme 97.5 percent in the DRC.²⁴ As mining projects run for decades and often generate a substantial share of national revenue, they are typically tied closely to state power, and governments retain far-reaching control over the terms on which they operate. In many African countries, the mining sector is therefore not merely a commercial arena, but also an important site of political negotiation and contestation.

This is certainly true regarding societal expectations that wealth generated from material resources translates into tangible benefits for the country and for local populations.²⁵ The surging global demand for critical raw materials has reinforced African calls to secure local benefits. In practice, this takes the form of host states asserting control through equity participation in projects, local employment mandates, enhanced local content requirements, expanded corporate social responsibility, and community development contributions. South Africa's 2003 Broad-Based Black Economic Empowerment (B-BBEE) framework and mandatory community development funds are prominent

²² inAfrika, *IDC's Role in Africa's Mining Future to Take Center Stage at African Mining Week*, July 22, 2025, <https://inafrika.co.tz/sw/idcs-role-in-africas-mining-future-to-take-center-stage-at-african-mining-week/>; The Assay, *Strategic Investing in African Resources and Mining: How IDC Is Focusing Investments in Zambia and Throughout the Continent*, 2024, <https://www.theassay.com/articles/investor-insight/strategic-investing-in-african-resources-and-mining-how-idc-is-focusing-investments-in-zambia-and-throughout-the-continent/>.

²³ Benjamin Rubbers, "Mining and the Scalar Transformations of the State in the Democratic Republic of Congo," *The Journal of Modern African Studies* 61, no. 1 (2023): 73–90, <https://doi.org/10.1017/S0022278X22000386>.

²⁴ UNCTAD, *Economic Development in Africa Report 2024* (United Nations Conference on Trade and Development, 2024), https://unctad.org/system/files/official-document/aldcafrica2024-overview_en.pdf; Poorva Karkare, *Resource Nationalism in the Age of Green Industrialisation*, Discussion Paper no. 365 (European Centre for Development Policy Management (ECDPM), 2024), <https://ecdpm.org/work/resource-nationalism-age-green-industrialisation>.

²⁵ Müller et al., *From Competition to a Sustainable Raw Materials Diplomacy: Pointers for European Policymakers*.

examples. While such regulatory measures are common across global mining jurisdictions, they directly affect and must be factored into the commercial and operational viability of projects.

While the emphasis on in-country processing is often portrayed as an entry point for Europe–Africa cooperation on CRM, it also poses complex challenges. Where initial processing steps are economically and technically feasible at or near the mine, companies often integrate them proactively. By contrast, advanced purification and refining require

The distribution and management of resource rents is often central to sustaining political order.

a distinct set of industrial conditions and capabilities, ranging from competitive energy supply and chemical inputs to customer qualification pathways. Establishing midstream refining typically requires mining companies to join forces with specialized refiners.²⁶

Requirements in this vein pose particular difficulties for European project developers, which tend to be smaller, specialized mining ventures without sufficient capital or technical expertise to build such facilities independently. Agreeing on realistic and phased timelines for local processing therefore requires political engagement at an early stage.

While expectations of local developmental impact are entirely understandable and legitimate, recurrent waves of a more extreme variant of this idea — often described as “resource nationalism” — across several African countries pose a threat to joint project development.²⁷ Various countries have seen episodes of escalating political demands that resulted in erratic regulatory shifts, forced contract renegotiations and licensing disputes that ultimately complicate project execution and undermine investor confidence. Tanzania, for example, saw such an episode during John Magufuli’s presidency (2015–2021), resulting in permitting delays for an important rare earths project that was being developed by an Australian company at the time, among others (the project ultimately fell into Chinese ownership).²⁸ Similarly, ongoing Zambian debates surrounding the amount of free equity that the Zambian state should maintain in new mining projects have generated substantial regulatory uncertainty among international investors.²⁹ In the DRC, 2025 saw far-reaching government interventions in cobalt exports, including first a temporary outright ban and then a quota system also for subsequent years that spurred severe market uncertainty.³⁰

²⁶ Vivoda, “What Attracts Critical Minerals Processing?”; Sarah Logan and Maddalena Procopio, “Lost in Processing: Why ‘Made in Europe’ Needs an Africa Strategy,” ECFR Commentary, April 23, 2026, <https://ecfr.eu/article/lost-in-processing-why-made-in-europe-needs-an-africa-strategy/>.

²⁷ Karkare, *Resource Nationalism in the Age of Green Industrialisation*; Alexander Caramento et al., “The Return of Resource Nationalism to Southern Africa,” *Journal of Southern African Studies* 49, no. 3 (2023): 339–57, <https://doi.org/10.1080/03057070.2023.2272547>.

²⁸ Japhace Poncian, “Between Rhetoric and Reality: Recurrent Resource Nationalism and the Practice of Resource Governance in Tanzania,” *Journal of Southern African Studies* 49, no. 3 (2023): 359–75, <https://doi.org/10.1080/03057070.2023.2269507>.

²⁹ Chinedu Okafor, “Zambia Moves to Gain More Control of Its Mining Wealth from Foreign Firms, but Says It Won’t Use Force,” *Business Insider Africa*, 15 May 2026, <https://africa.businessinsider.com/local/markets/zambia-moves-to-gain-more-control-of-its-mining-wealth-from-foreign-firms-but-says-it/fpr18xw>.

³⁰ Mining Technology, “DRC Cobalt Export Conditions Tighten with New Quota and Royalty Rules,” *Mining Technology*, December 8, 2025, <https://www.mining-technology.com/news/congo-cobalt-export-conditions-tighten/?cf-view>.

A key factor shaping such episodes is the fact that the distribution and management of resource rents is often central to sustaining political order and the respective ruling coalition, with powerful actors monitoring closely how policies and individual ventures affect their respective interests.³¹ As a large literature on the political economy of development has discussed, politically mediated access to economic opportunities can be compatible with the development of productive industries under particular circumstances, but it has also often been a key obstacle to progress.³² At a minimum, it creates an environment that is challenging for external actors with limited familiarity with local political dynamics to navigate.

Relatedly, the extractive industries have frequently proven a domain in which narrow elite interests may diverge from broad-based developmental objectives. This has manifested itself in various cases of questionable revenue governance, with resource income being diverted to individuals rather than reaching state budgets,³³ as well as in cases of poor social and environmental conditions. Despite improvements in technology and processes, mining activities inevitably bring major disruptions to the natural environment, with manifold consequences for communities in their vicinity. Processing industries are typically associated with major energy demands and pollution risks that need to be carefully managed.

These issues pose a specific challenge to European engagement on raw materials as European publics and policymakers have been comparatively sensitive to such environmental, social and governance (ESG) concerns. Besides their normative rationale, ESG standards have practical benefits in helping companies establish and maintain a “social license to operate.” A commitment to responsible practice by companies supports the long-term resilience of projects and can help avoid disruptions, reduce reputational risk and thereby facilitate the mobilization of finance, including from private lenders and investors.³⁴ However, combined with an often undifferentiated perception of African countries as particularly risky across the board, stringent requirements from European public lenders and policies aimed at sensitizing private funders to ESG (such as the EU sustainable finance taxonomy) can have the opposite effect and create additional hurdles for mobilizing European capital for CRM projects.³⁵ At worst, this may result in projects

³¹ Christopher Vandome and Tighisti Amare, “Elite Capture of Africa’s Critical Minerals Mustn’t Be Mistaken for Resource Sovereignty,” Chatham House The World Today, May 26, 2026, <https://www.chathamhouse.org/publications/the-world-today/2026-03/elite-capture-africas-critical-minerals-mustnt-be-mistaken>.

³² Lindsay Whitfield et al., *The Politics of African Industrial Policy: A Comparative Perspective* (Cambridge University Press, 2015); Douglass C. North et al., eds., *In the Shadow of Violence: Politics, Economics, and the Problem of Development* (Cambridge University Press, 2013).

³³ Aaron Sayne et al., *Corruption in Mineral Value Addition: Why It Matters* (Natural Resource Governance Institute, 2026), <https://resourcegovernance.org/publications/corruption-mineral-value-addition-why-it-matters>.

³⁴ K. C. Michaels et al., “Why Is ESG so Important to Critical Mineral Supplies, and What Can We Do about It?,” *IEA Commentary*, September 9, 2022, <https://www.iea.org/commentaries/why-is-esg-so-important-to-critical-mineral-supplies-and-what-can-we-do-about-it>; OECD, *Responsible Is Reliable: How Responsible Sourcing Can Address Disruption Factors and Geopolitical Risks in the Supply of Transition Minerals* (2023), https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/due-diligence-guidance-for-responsible-business-conduct/Responsible_is_Reliable.pdf; Thomas Scurfield et al., *Six Keys to Unlocking Equitable Value Addition in Mining*, Natural Resource Governance Institute Briefing (2024), <https://resourcegovernance.org/publications/six-keys-unlocking-equitable-value-addition-mining>.

³⁵ Theophilus Acheampong and Sarah Logan, *Too Clean to Compete: Why Strict Standards Keep Europeans out of African Minerals*, ECFR Policy Brief (2025), <https://ecfr.eu/publication/too-clean-to-compete-why-strict-standards-keep-europeans-out-of-african-minerals/>; Christopher Vandome, “Geopolitical Discrimination and

being implemented by other actors placing less emphasis on ESG, who often still manage to enter their material into supply chains that ultimately serve European markets.

1.3. China's Self-Reinforcing Dominance

China's dominant position in global CRM value chains is an important part of the motivation for stronger Europe–Africa CRM cooperation, but also one of the key factors making it difficult for this cooperation to achieve tangible impact.

Complementing its global dominance in midstream CRM processing, China has secured access to a large share of African mining output, having integrated it into its own value chains through direct equity stakes in mines as well as through binding, long-term offtake contracts. Beijing was able to establish this foothold in African mining due to its early-mover advantage built during the 2000s and 2010s. At the time, Chinese entities expanded across the continent, while many Western majors were divesting from African mines in response to commodity price slumps and perceived governance risk. Under the umbrella of the Belt and Road Initiative, Chinese expansion frequently relied on large-scale “resources-for-infrastructure” arrangements, supported by a diplomatic network that facilitated state-to-state contracts and helped navigate local political economies.³⁶ In retrospect, some of the deals concluded during this period sparked scrutiny and pushback: notably, the DRC government changed its mining code in 2018 and partly renegotiated the terms of its engagement with China.³⁷ Despite this, China's efforts advanced quickly. Between 2001 and 2023, Chinese state and state-directed entities deployed an estimated \$98 billion in financing for overseas mineral ventures, with policy banks such as the Export-Import Bank of China and the China Development Bank accounting for the bulk of this credit.³⁸

China's approach is marked by a high degree of vertical integration (often described as a “mine-to-battery” model), in which state-owned enterprises and corporate champions control multiple links from upstream extraction to downstream manufacturing. For example, the Chinese battery company Contemporary Amperex Technology Co., Limited (CATL), the world's largest battery manufacturer, secured material inputs through a 25 percent interest in the DRC's Kisanfu copper-cobalt mine. This expansion often benefited from state underwriting; estimates suggest that subsidies cover between 20 and 40

Institutional Governance of Strategic and Critical Minerals: Implications for Africa,” *The Extractive Industries and Society* 25 (March 2026): 101765, <https://doi.org/10.1016/j.exis.2025.101765>; Poorva Karkare, “The EU's Partnerships around Critical Raw Materials: Do Its Ambitions Match Reality?,” *ECDPM Commentary*, March 26, 2025, <https://ecdpm.org/work/eus-partnerships-around-critical-raw-materials-do-its-ambitions-match-reality>.

³⁶ Christian Gérard Neema and Cobus van Staden, *Africa's Critical Minerals: Boosting Development Amid Geopolitical Challenges*, Policy Insights no. 155 (Southern African Institute of International Affairs (SAIIA), 2024), <https://saiia.org.za/research/africas-critical-minerals-boosting-development-amid-geopolitical-challenges/>.

³⁷ Wei Shen, “Chinese Investments in the Democratic Republic of Congo's Critical Minerals Sector: Adapting to the Emerging Neo-Extractivism Strategy,” *The Extractive Industries and Society* 27 (September 2026): 101934, <https://doi.org/10.1016/j.exis.2026.101934>.

³⁸ Center for Critical Minerals Strategy (SAFE), *Critical Moves: Crowding in Capital to Finance Minerals Supply Chains*.

percent of total project costs in Chinese critical mineral mining and processing.³⁹ This state-backed architecture allows conglomerates to shift value strategically along the chain and to sustain loss-making activities where necessary, including at the extraction stage. In effect, China has treated minerals supply as state-backed strategic infrastructure ultimately serving an industrial ecosystem, rather than as a portfolio of return-driven projects.

In effect, China has treated minerals supply as state-backed strategic infrastructure.

Attempts to challenge China's dominance in highly concentrated CRM supply chains without a similarly integrated model face a range of obstacles. One difficulty is to secure access to raw materials, as scaling up refining capacity requires a steady supply of feedstock. As many premier deposits are already committed to Chinese entities,

independent refineries struggle to secure input. For example, the Kobaloni project in Zambia, planned as Africa's first standalone cobalt refinery, will depend heavily on

materials from the neighboring DRC, where Chinese entities currently control or hold equity stakes in 17 of the 19 primary cobalt-producing operations.⁴⁰ Conversely, standalone mining operations are not only a harder sell politically in most African countries today than they were during the heyday of China's resources-for-infrastructure deals, but also difficult to realize in the absence of clear arrangements for where the material is going to be processed. Projects undertaken in Europe–Africa collaboration therefore typically need an integrated plan down to the level at which the material can be sold either to a trader or directly to a downstream industry player.

Another factor hindering non-Chinese ventures is the difficulty of acquiring the required processing technology and technical know-how without relying on the Chinese ecosystem. Beijing has moved to entrench its near-monopoly and has restricted the export of technology for rare earth extraction, separation, metal production and magnet manufacturing since 2023.⁴¹ Crucially, this technological leverage extends well beyond rare earths. China holds similar leads across other minerals, particularly in battery materials, most notably in battery-grade lithium and cobalt refining. This is an additional obstacle to building processing capacity in Africa, but also in Europe or elsewhere where it could complement African upstream operations.

The most fundamental obstacle to setting up alternative CRM supply chains, though, is pricing and cost structures. First, Chinese firms have genuine cost advantages, on account of their vertical integration, economies of scale and state-backed operating conditions. Consequently, processing projects in Europe or Africa struggle to compete with China on price — both in terms of capital expenditure and operating costs. Analysis by the IEA suggests that capital costs for refining projects are between 20 percent and over 150 percent higher outside established producer countries, while the gap for operating costs is about 50 percent.⁴² Cost structures in African countries are highly dependent on

³⁹ Ibid.

⁴⁰ Raphael Deberdt et al., "Midstream Geopolitics: Processing Power in Critical Mineral Supply Chains," *Political Geography* 131 (2026): 103626, <https://doi.org/10.1016/j.polgeo.2026.103626>.

⁴¹ Center for Critical Minerals Strategy (SAFE), *Critical Moves: Crowding in Capital to Finance Minerals Supply Chains*; Baskaran and Schwartz, *Developing Rare Earth Processing Hubs: An Analytical Approach*.

⁴² International Energy Agency, "Global Critical Minerals Outlook 2026," 2026, <https://www.iea.org/reports/global-critical-minerals-outlook-2026/outlook>.

specific local circumstances, but it is unlikely that many African processing operations will be able to compete with China on price in the foreseeable future. Second, China's far-reaching control over strategic supply chains gives Beijing substantial influence over global benchmark prices in general, threatening the commercial viability of non-Chinese projects wherever in the world they are located. Between 2022 and 2024, for example, Chinese producers oversupplied rare earth markets, driving spot prices to roughly a third of previous levels and pushing several Western market entrants into liquidity crises.⁴³

This, in turn, disrupts the financial mechanisms enabling new projects. To acquire financing, project developers need to demonstrate plausible future revenue streams. This is only possible if there is reliable demand for non-Chinese CRM at viable prices, ideally in the form of firm offtake contracts. Major downstream industry customers in Europe and in market economies across the globe, meanwhile, have long relied on a model of "just-in-time" procurement through metal exchanges or traders (or have stayed out of material sourcing altogether, leaving that task to lower-tier suppliers). Operating often under intense margin pressure, downstream customers largely refuse to accept higher costs for the sake of supply diversification, despite increasing geopolitical risks.⁴⁴ This is a central problem for governments concerned about CRM dependencies globally, and one for which the EU and its member states have been far less willing than other actors to resort to decisive government intervention.⁴⁵

1.4. Interplay with Other External Actors

Finally, European CRM engagement in Africa takes place neither in a vacuum nor in a setting where China is the only other external player of consequence. Several further actors are active on the continent, with agendas and capabilities that are sometimes compatible with European aims, but other times complicate European efforts.

Among G7 partners, two countries stand out for a longer-standing role in African CRM sectors and present obvious opportunities for collaboration (though their governments will certainly treat their own industries' resilient CRM supply as their first priority). The first country is Canada, owing more to private entrepreneurship and the strength of Canada's own mining sector than to deliberate state policy. Together with similar Australian firms, Canada's junior and intermediate mining firms account for more than half of the budget for exploration in Africa, giving the country a structurally relevant role and presenting key upstream capabilities that are rare both in Africa and in Europe.⁴⁶

⁴³ Center for Critical Minerals Strategy (SAFE), *Critical Moves: Crowding in Capital to Finance Minerals Supply Chains*.

⁴⁴ Jakob Hensing, "Germany Shows Why Europe Cannot Rely on Business-Led De-Risking," *Bertelsmann Stiftung Global & European Dynamics*, January 23, 2024, <https://bst-europe.eu/economy-security-trade/germany-shows-why-europe-cannot-rely-on-business-led-de-risking/>.

⁴⁵ Klumpp et al., *Out of the Dependency Trap: Why Germany's and Europe's Critical Raw Materials Policy Falls Short and How to Fix It*; European Initiative for Energy Security, *Resources for Europe: Financing Critical Mineral Supply Chains* (2025), <https://static1.squarespace.com/static/64f5f132690bb40dc03cfaf4/t/69012ae07e83c41601869d26/1761684192701/EIES+Resources+for+Europe+Financing+critical+mineral+supply+chains+LR.pdf>.

⁴⁶ Acheampong et al., *Regional Note on Critical Minerals in Africa*, 3.

The other country Europe may want to work with especially is Japan, which was one of the first countries to identify CRMs as a strategic challenge and a policy priority after facing disruptions of rare earth supplies from China in 2010. As in much of its broader CRM policy, the Japan Oil, Gas and Metals National Corporation (JOGMEC), an independent state institution, has played a key role in advancing Japan's efforts in Africa. Already in 2008, the agency established a Geologic Remote Sensing Centre in Botswana, which has since trained geologists from across the Southern African Development Community and conducted joint field surveys to identify exploration opportunities. In 2019, JOGMEC opened a Johannesburg office as a regional base.⁴⁷ In recent years, Japanese engagement has increasingly focused on project-level commitments. A notable example is the Lofdal heavy rare earths deposit in Namibia, one of the few advanced sources of dysprosium and terbium outside China. JOGMEC played an important role both in setting up a joint exploration venture with a Canadian firm in 2020 and in mobilizing approximately \$30 million in Japanese government funding to develop the project toward a final commercialization decision in 2027, alongside the Japanese trading house Toyota Tsusho.⁴⁸

The US, in contrast, was for a long time comparatively passive on CRMs in Africa, at least from a supply security perspective, though US policy did play an important role in the “conflict minerals” agenda, with the 2010 Dodd-Frank Act requiring publicly listed companies to disclose if they were sourcing certain minerals from the DRC and adjacent countries.⁴⁹ Emblematically, the US government failed to prevent the sale of a major copper-cobalt asset in the DRC (at the Tenke Fungurume mine) by US firm Freeport-McMoRan to the Chinese company China Molybdenum (now: CMOC Group Limited) in 2016. As Gracelin Baskaran has argued, this was “arguably the most significant commercial misstep the United States has made in Africa.”⁵⁰

Since then, the US stance has changed markedly. Support for the rehabilitation of the Lobito Corridor connecting Zambia, the DRC and Angola became a flagship initiative during the Biden administration.⁵¹ Under the second Trump administration, critical raw materials were broadly declared a priority, backed up with considerable public funding and interventionist policies.⁵² While Washington's main emphasis lies on expanding domestic production, the US has also intensified its engagement in Africa, especially in the DRC. This engagement includes a strategic partnership agreement in December 2025

⁴⁷ JOGMEC, “JOGMEC Establishes Johannesburg Office as a Base for Natural Resource Development in Africa,” January 28, 2019, https://www.jogmec.go.jp/english/news/release/release_00205.html.

⁴⁸ Reuters, *Japan's JOGMEC to Invest up to \$34 Million in Toyota Tsusho Rare Earth Venture in Namibia*, July 30, 2026, <https://www.reuters.com/world/asia-pacific/japans-jogmec-invest-up-34-million-toyota-tsusho-rare-earth-venture-namibia-2026-07-30/>.

⁴⁹ Melvin Ayogu and Zenia Lewis, “Conflict Minerals: An Assessment of the Dodd-Frank Act,” Brookings Institution, October 3, 2011, <https://www.brookings.edu/articles/conflict-minerals-an-assessment-of-the-dodd-frank-act/>.

⁵⁰ Gracelin Baskaran, *Building Critical Minerals Cooperation Between the United States and the Democratic Republic of the Congo*, CSIS Brief (2025), <https://www.csis.org/analysis/building-critical-minerals-cooperation-between-united-states-and-democratic-republic-congo#h2-resetting-the-united-states-focus-on-congolese-mining>.

⁵¹ Ricardo Reboledo, “Agency, Extractivism, and Development: The Case of the Lobito Corridor,” *Third World Quarterly*, December 17, 2025, 1–19, <https://doi.org/10.1080/01436597.2025.2597400>; Alex Vines, “Caught in the Corridor: Angola, Europe and America,” *ECFR Commentary*, December 18, 2025, <https://ecfr.eu/article/caught-in-the-corridor-angola-europe-and-america/>.

⁵² Inga Carry, *American Minerals First: Die Rohstoffpolitik der USA unter Donald Trump*, SWP Aktuell no. 56 (2025), <https://www.swp-berlin.org/10.18449/2025A56/>.

that explicitly linked minerals access to security engagement, as well as concrete transactions leveraging support from the US International Development Finance Corporation (US DFC) and other state-backed instruments.⁵³ One notable example of such an instrument is Project Vault, a strategic minerals reserve initiative, which can operate as a buyer of last resort and backstop reliable demand for important projects, backed by a US Export-Import Bank loan of up to \$10 billion.⁵⁴

Besides possibilities for bilateral alignment of activities in Africa with each of these countries, several plurilateral formats offer entry points for collaboration. At the G7 level, a Critical Minerals Production Alliance was established under the Canadian presidency in 2025 and broadened at the Évian summit in June 2026 into a Critical Minerals Resilience and Production Alliance. Its aim is to commit members to joint industrial

African governments have every incentive to keep their options for international cooperation open.

projects, demand aggregation and offtake tools, and joint financing capacity, with the target of reducing dependence on any single non-G7 supplier of rare earths and permanent magnets to below 60 percent by 2030.⁵⁵ In February 2026,

the US also launched the Forum on Resource Geostategic Engagement (FORGE) at a ministerial meeting in Washington, attended by more than 50 delegations. Replacing the earlier format of the Minerals Security Partnership, in which the EU had also participated, FORGE is a multi-pronged initiative aimed at aligning investment efforts, coordinating trade rules and establishing price floors backed by joint tariffs.⁵⁶

Both formats offer possibilities to join forces and address the global market dynamics arising from China's dominant role that also hinder CRM projects in Africa. At the same time, there are legitimate questions about the extent to which the Trump administration will ultimately prioritize US interests at the expense of G7 partners, feeding European apprehensions about some of the proposed initiatives.⁵⁷ The US administration has embraced a heavily transactional approach and now routinely deploys unilateral trade levers, such as potential tariffs or threats to restrict market access, to extract bilateral concessions from both African counterparts and Western partners. A prime example is South Africa, which faces intense pressure from Washington to align its economic stance with the US. Another case is Zambia, where the US reportedly considered conditioning HIV aid on CRM collaboration. This approach ultimately backfired, as it led the country's Foreign Minister Mulambo Haimbe to stress that his government felt "first and foremost, that Zambians must have a say on how her critical minerals are used, and second, that no

⁵³ Baskaran, *Building Critical Minerals Cooperation Between the United States and the Democratic Republic of the Congo*.

⁵⁴ Cullen Hendrix, *Strengthening Project Vault: The US Plan to Stockpile Critical Minerals*, Policy Brief no. 26-8 (Peterson Institute for International Economics, 2026), <https://www.piie.com/publications/policy-briefs/2026/strengthening-project-vault-us-plan-stockpile-critical-minerals>.

⁵⁵ Center for Critical Minerals Strategy (SAFE), *Critical Moves: Crowding in Capital to Finance Minerals Supply Chains*.

⁵⁶ Gracelin Baskaran and Meredith Schwartz, "Critical Minerals Ministerial Introduces New International Cooperation Strategy," Center for Strategic and International Studies, February 13, 2026, <https://www.csis.org/analysis/critical-minerals-ministerial-introduces-new-international-cooperation-strategy>.

⁵⁷ Alan Beattie, "The US Cannot Be Trusted to Lead a Critical Minerals Coalition," *Financial Times*, February 12, 2026, <https://www.ft.com/content/bd8188b7-8a30-462c-92a2-786895a3b2ad?syn-25a6b1a6=1>.

one strategic partner is to be treated preferentially to others.”⁵⁸ Clearly, joint G7 action on CRM in Africa will need to address both internal trust challenges and questions about the right approach to engaging African governments.

Beyond the G7 and China, further relevant actors in the African CRM landscape include the United Arab Emirates (UAE), Saudi Arabia, India, Turkey, and others.⁵⁹ The Gulf states have emerged as particularly active players, combining diplomatic engagement with rapid capital deployment, often via state-backed vehicles. Crucially, they also cooperate with US strategy, as exemplified by the Orion Critical Mineral Consortium (Orion CMC) that was launched jointly by the US DFC, Abu Dhabi’s sovereign wealth fund and the private investment firm Orion Resource Partners. Orion CMC plans to finance mining and refining assets in emerging markets (including in Africa).⁶⁰

Other key examples of UAE engagement include its company International Resources Holding acquiring a majority stake in Zambia’s Mopani Copper Mines and committing to developing a copper-cobalt refinery in the DRC. A UAE government delegation also directly concluded a \$1.9 billion agreement for developing four industrial mines with the DRC state company Sakima, which owns mining concessions for tin, tantalum, tungsten, and gold in the country’s east. Meanwhile, Saudi Arabia has garnered significant attention by hosting its flagship Future Minerals Forum in Riyadh and by courting African nations. Although direct Saudi investments in mining have progressed more slowly than projected, Riyadh increasingly focuses on securing offtake agreements and routing trading flows through the Kingdom as part of its strategy to build domestic midstream processing capacity.⁶¹ Joint European efforts in Africa with the Gulf states are certainly conceivable, especially as they offer capital strength and provide incentives for building processing capacity outside China — though questions about their ultimate political reliability are at least as salient as in the case of the US.

African governments, for their part, have every incentive to keep their options for international cooperation open. A prime example of this approach is Zambia, which has pursued a declared policy of “positive neutrality” and signed at least eight different bilateral agreements on raw materials cooperation between 2023 and 2025.⁶² Other governments similarly engage with various external actors simultaneously.⁶³ Indeed, there is no example of an African country that has clearly identified one specific primary

⁵⁸ Christina Lu, “The World’s Mineral Powers Seize Their Moment,” *Foreign Policy*, June 2, 2026, <https://foreignpolicy.com/2026/06/02/critical-mineral-trade-trump-china-supply-chain-africa-latin-america/>.

⁵⁹ Carry et al., *The EU’s External Raw Materials Strategy: Key Fields for Action*.

⁶⁰ Mining.com, “US, Orion Partner on \$5B Critical Minerals Fund,” *Mining.Com*, October 23, 2025, <https://www.mining.com/us-orion-partner-up-on-5b-critical-minerals-fund/>.

⁶¹ Meike Schulze and Mark Schrolle, “Saudi Arabia Strives to Become Major Player in Mineral Supply Chains,” SWP Comment (2024), <https://www.swp-berlin.org/10.18449/2024C52/>.

⁶² Meike Schulze, *The Strategic Raw Material Partnership between the EU and Zambia: Industrial Cooperation Is Key to Value Creation and Long-Term Collaboration*, SWP Comment (2025), https://www.swp-berlin.org/publications/products/comments/2025C19_RawMaterialPartnership_EU_Zambia.pdf.

⁶³ Pia Beuter et al., Mapping Africa’s Green Minerals Partnerships (Africa Policy Research Institute, 2025); Christian Géraud Neema, *The Tumultuous Path toward EU-China-Africa Trilateral Cooperation on Critical Raw Materials in Africa* (Africa Policy Research Institute, 2025), <https://afripoli.org/the-tumultuous-path-toward-eu-china-africa-trilateral-cooperation-on-critical-raw-materials-in-africa>.

partner or ruled out working with others. For the EU and its member states, it is therefore clear that their partnership offers will be judged against alternatives.

Showing a commitment to local value addition will often be important for Europe as it enters conversations with potential African partners, but there are two important caveats to keep in mind here. First, despite widespread rhetoric, some African governments have cooperated with external actors on critical minerals even in the absence of such commitments. Infrastructure provision was central to the efforts through which China built its current CRM foothold on the continent, while factors such as geopolitical alignment, security cooperation or corrupt incentives to powerholders also played an apparent role in important past and contemporary cases.⁶⁴ Even a very strong offer on local value addition might not win out in all contexts, and European policymakers need to think carefully about the countries on which they should concentrate in their engagement efforts. Second, any commitment to local value addition is only as good as its credibility — something that is not easy to deliver on, given the challenging conditions described in this chapter. Any partnership must first and foremost be grounded in concrete, viable industrial projects. In short, Europe needs a cooperation model that can actually deliver.

⁶⁴ Sayne et al., *Corruption in Mineral Value Addition: Why It Matters*.

2. The Trajectory of European Raw Material Engagement in Africa

Engagement with African countries on raw materials is not new to the EU and its member states, but it has expanded and seen a shift of emphasis in its objectives over the last five years. Aside from the obviously relevant historical legacy of extractive European colonialism, there have been some prominent cases of European governments working closely with African counterparts after their independence to secure their supplies of certain materials (such as France with Niger on uranium). Some EU member states also made attempts to deepen bilateral raw materials cooperation with African states, at least in part with the aim of strengthening their own supply security, already during the 2010s. Still, for much of the past three decades, government-led European activities related to raw materials in Africa were primarily focused on improving ESG conditions in local mining sectors, as part of broader cooperation toward sustainable development.⁶⁵ Protecting human rights in artisanal and small-scale mining and addressing the role of mining in financing armed conflict on the continent were particularly prominent parts of this agenda.⁶⁶

These angles often implied a fundamentally negative view of the impact of minerals exploitation on society. Growth of production was at best seen as a potential side effect of better resource governance, if not as outright undesirable. The only strand of European activity that took on a more expansionary direction was geological cooperation, with actors such as France's *Bureau de Recherches Géologiques et Minières* (BRGM) or Germany's *Bundesanstalt für Geowissenschaften und Rohstoffe* (BGR) providing support for the mapping of mineral endowments and for corresponding training. In 2016, the EU and 12 European geological surveys co-financed the continent-wide geoscience training program PanAfGeo. Tellingly, though, this program also described its purpose as “improving the governance of the mining sector and ensuring a more balanced deployment of the wealth associated with the exploitation of mineral resources,” rather than as increasing and accelerating minerals exploration in African countries.⁶⁷

Over the last five years, in contrast, Europe has increasingly taken on the explicit objective to reduce dependencies and diversify its raw materials supply chains. The April 2024 CRMA codified international partnerships as a central element of Europe's raw materials agenda, alongside the expansion of domestic mining, processing and recycling. While it did not define quantitative targets for non-EU country contributions to its supply, it set the aim that no single state should account for more than 65 percent of the EU's supply of

⁶⁵ Acheampong and Logan, *Too Clean to Compete: Why Strict Standards Keep Europeans out of African Minerals*.

⁶⁶ Christoph N. Vogel, *Conflict Minerals, Inc: War, Profit and White Saviourism in Eastern Congo*, African Arguments (Hurst & Company, 2022).

⁶⁷ BRGM, “PanAfGeo, a Unique Training Programme in Africa,” October 23, 2019, <https://www.brgm.fr/en/news/press-release/panafgeo-unique-training-programme-africa>.

any strategic raw material (a subset of 17 of the 34 CRMs) at any relevant stage of processing by 2030.⁶⁸

The subsequent December 2025 RESourceEU Action Plan⁶⁹ affirmed the importance of global raw materials partnerships and outlined an array of operational steps that would also impact the way Europe can act in this space internationally. Those steps include an active role in demand aggregation, coordination and matchmaking, for which the European Commission established a Raw Materials Mechanism under the EU Energy and Raw Materials Platform in November 2025. This platform seeks to connect buyers with potential suppliers and storage or stockpiling providers, including from global partner countries. Over time, such a demand aggregation platform might play a constructive role in enabling an institution like the EU CRM Centre to coordinate offtake agreements based on industry needs. As long as large-scale demand from industry is lacking, however, such a platform will not achieve much. Finally, Europe has also taken some initial steps in CRM stockpiling, mainly through a German–French–Italian pilot project and the creation of the EU CRM Centre that could bundle capacity, expertise and, potentially, funding instruments.

Efforts to strengthen cooperation with Africa have broadly unfolded along two strands, each of which will be discussed in the following sections: (1) by creating country-level frameworks for strategic cooperation and (2) by supporting private sector-led projects. In addition, some cross-cutting initiatives have tried to address both strands, though with limited resources and follow-through.

2.1. Country-Level Partnerships

At the country level, the EU has agreed on formalized strategic raw materials partnerships with the DRC, Zambia, Namibia, Rwanda (currently on hold), and South Africa since 2022, alongside 10 further partnerships elsewhere in the world.⁷⁰ These partnerships are based on memoranda of understanding following a standard template, covering supply chain integration, infrastructure financing, research and innovation, capacity building, and sustainable and responsible sourcing. They are operationalized through roadmaps jointly drafted and overseen by local EU delegations and host governments, under which the EU, its member states, development agencies, and financial institutions like the European Investment Bank (EIB) are meant to coordinate their activities in the respective country in a “Team Europe” approach.⁷¹ However, as the European Court of Auditors notes, not all roadmaps were defined within six months of the respective agreement as envisaged; many

⁶⁸ Klumpp et al., *Out of the Dependency Trap: Why Germany’s and Europe’s Critical Raw Materials Policy Falls Short and How to Fix It*.

⁶⁹ European Commission, “Commission Adopts RESourceEU to Secure Raw Materials, Reduce Dependencies and Boost Competitiveness,” December 3, 2025, https://ec.europa.eu/commission/presscorner/detail/en/ip_25_2891.

⁷⁰ “Raw materials diplomacy,” European Commission, accessed September 28, 2026, https://single-market-economy.ec.europa.eu/sectors/raw-materials/areas-specific-interest/raw-materials-diplomacy_en.

⁷¹ Meike Schulze, “Strategic Raw Material Cooperation between Africa and Europe,” *SWP Comment* (Berlin), no. 7 (February 2026), https://www.swp-berlin.org/publications/products/comments/2026C07_RawMaterial_Africa_Europe.pdf.

of them lack implementation deadlines and monitoring.⁷² They are also generally not made publicly available, drawing criticism regarding transparency, as well as making it difficult to externally assess their substance and implementation progress.

These EU-level strategic partnerships partially overlap with other country-level agreements: for example, the Clean Trade and Investment Partnership the EU concluded with South Africa in 2025 also addresses critical minerals for the energy transition, as part of its aim to jointly develop clean supply chains. In parallel, individual EU member states have also bilaterally concluded various raw materials partnerships with African countries, mostly since 2024. One recent attempt to map those counted at least 14 bilateral arrangements, though at varying levels of substance and specificity.⁷³

In terms of financing, the EU strategic partnerships cannot draw on dedicated resources but strongly rely on pre-existing funding instruments, most notably the EU infrastructure and connectivity initiative Global Gateway, which was launched in 2021. Widely interpreted as a response to China's Belt and Road Initiative, Global Gateway sought to draw together various existing EU and member state funds and to "crowd in" private capital to mobilize 300 billion euros for global infrastructure projects by 2027, half of which targets Africa.⁷⁴ Investments supporting raw materials sectors plausibly fit into the initiative's focus areas of "climate and energy," "transport" and "education and research." In this vein, the CRMA and RESourceEU Action Plan repeatedly invoke Global Gateway as a key source of financing for raw materials cooperation, especially via support measures in areas such as infrastructure development, technical assistance and local capacity building.

However, the fact that much of the available budget for the period 2021–2027 had already been allocated to projects by the time that the CRMA and the strategic partnerships were established has made it difficult to leverage this instrument in practice.⁷⁵ Indeed, Europe's contribution to the Lobito Corridor — the major transport infrastructure project, also supported by the US, aimed at connecting Zambia, the DRC and Angola, thereby facilitating regional value chains for mining and processing, as well as exports — stands out as the sole Global Gateway flagship project in Africa that is obviously connected to the EU's raw materials cooperation ambitions (on the complementarity of European and US efforts on the Lobito Corridor, also see Chapter 3.4).

2.2. Supporting Private Sector-Led Projects

The second strand of EU action in this arena is supporting private sector-led CRM projects. Historically, EU and member state development finance institutions (DFIs) maintained a highly cautious approach to the mining sector, often limiting or entirely

⁷² European Court of Auditors, "Special Report 04/2026: Critical Raw Materials for the Energy Transition," 2026, https://www.eca.europa.eu/ECAPublications/SR-2026-04/SR-2026-04_EN.pdf.

⁷³ Eszter Szedlacsek, *Critical Alliances: Mapping Africa's Mineral Partnerships with European Countries* (Africa Policy Research Institute, 2026), <https://afripoli.org/critical-alliances-mapping-africas-mineral-partnerships-with-european-countries>.

⁷⁴ "Global Gateway," European Commission, accessed September 28, 2026, https://commission.europa.eu/topics/international-partnerships/global-gateway_en.

⁷⁵ Schulze, "Strategic Raw Material Cooperation between Africa and Europe."

avoiding mining-related portfolios due to risk aversion and ESG concerns. Recently, this defensive posture has begun to shift toward active engagement with mining and processing projects, in line with a global trend of multilateral development banks expanding their engagement in the sector. While African projects are eligible in principle, they must present very robust business plans and demonstrate compliance with various requirements, including demanding ESG standards.

In March 2025, the EIB announced that it would increase its engagement along raw materials value chains under its Critical Raw Material Strategic Initiative, with an annual spending target of 2 billion euros for the sector worldwide.⁷⁶ These funds are expected to constitute a major portion of the 3 billion euros announced under the RESourceEU Action Plan, though the exact division of funding between domestic and international projects remains unclear to date. Moreover, in partnership with the EU, which directly co-funds the initiative, the European Bank for Reconstruction and Development (EBRD) launched its Junior Mining Programme in 2024 to provide (quasi-) equity investments for junior miners, aiming to mobilize up to 150 million euros,⁷⁷ and expanded the list of African countries eligible for EBRD investments — now operating in Benin, Côte d’Ivoire, Kenya, Nigeria, and Senegal.⁷⁸

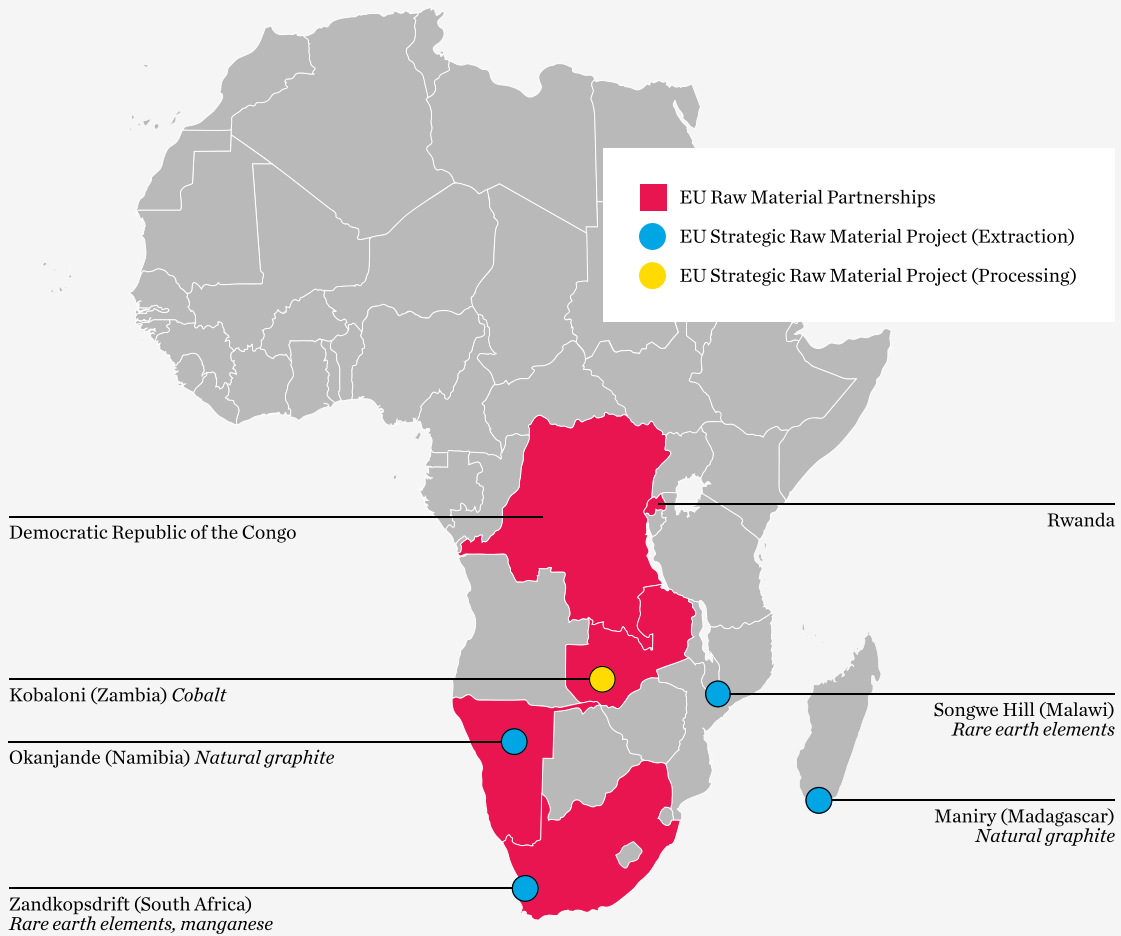
Several individual member states have also expanded the financing options available through their DFIs or created new instruments. For example, Germany created a *Rohstofffonds*, which is managed by the German development bank *Kreditanstalt für Wiederaufbau* (KfW), initially with a volume of 1 billion euros, but subsequently expanded to 1.5 billion euros. The fund can support projects, provided they secure a minimum five-year offtake agreement with a European-based company, targeting individual equity investments between 50 million and 150 million euros. This is designed to work alongside Germany’s long-standing Untied Loan Guarantee scheme. Equally, France’s *Fonds Métaux Critiques*, managed by the private equity firm InfraVia, aims to raise 2 billion euros, with a 500-million-euro commitment of public funding. Both the German and the French fund can support projects outside Europe, though they are still ramping up their activities; neither has announced a project involvement in Africa to date.

⁷⁶ “Critical Raw Materials,” European Investment Bank, accessed September 28, 2026, <https://www.eib.org/en/projects/topics/innovation-digital-and-human-capital/critical-raw-materials/index>.

⁷⁷ EBRD, “EBRD and EU to Mobilise up to €100 Million for Critical Raw Materials Investments,” July 31, 2024, <https://www.ebrd.com/home/news-and-events/news/2024/ebrd-and-eu-to-mobilise-up-to-100-million-for-critical-raw-materials-investments.html>.

⁷⁸ “Where we invest,” European Bank for Reconstruction and Development, accessed September 28, 2026, <https://www.ebrd.com/home/what-we-do/where-we-invest.html>.

The EU's Raw Material Engagement and Strategic Projects in Africa



Source: European Commission, October 2026

Besides the EU strategic partnerships at country level, the CRMA also created the novel instrument of “strategic projects.” Ventures can apply for this designation if they can demonstrate potential to contribute substantially to European supply security by 2030, even if they are often still in their development phase. Projects located outside the EU should, in addition, support value addition in the respective host country.⁷⁹ Following an initial call for applications in 2024 (with a second selection cycle currently underway), project selection was carried out by a dedicated team within the European Commission’s Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW), which was supported by external technical experts. Explicit host government approval was required prior to publication.

The EU selected a first round of 60 projects in 2025, including four projects located in Africa: a rare earth mining project in Malawi, a cobalt processing project in Zambia, a

⁷⁹ European Commission, “Commission Selects 47 Strategic Projects to Secure and Diversify Access to Raw Materials in the EU,” March 25, 2025, https://ec.europa.eu/commission/presscorner/detail/en/ip_25_864.

natural graphite project in Madagascar and a project around rare earths and manganese in South Africa. There is a fifth project that is often listed as located within the EU (a graphite processing project located in France), but which is integrally connected to mining operations in Namibia. All of these projects address CRMs for which China currently plays a dominant role in the global market.

Table: Official EU CRMA Strategic Projects in Africa⁸⁰

Locations & Project	Material and current Chinese market share ⁸¹	Project Type	Project Promoter	Details
Madagascar (<i>Maniry</i>)	Natural Graphite (battery grade) ~80% (extraction), >95% (processing)	Extraction	Evion Group NL (Australia)	Planned open-pit mine with secured mining permit in southwestern Madagascar, with a 21-year lifespan. Completed DFS, working toward FID. Objective to localize parts of downstream processing.
Malawi (<i>Songwe Hill</i>)	Rare Earth Elements for magnets >60% (extraction) >90% (processing)	Extraction	Mkango Resources Ltd. (Canada)	Deposit aiming to produce REEs in an open-pit mine (18-year lifespan). Completed DFS and signed mining development agreement; working toward FID. Plans to produce MREC locally to feed Mkango's separation plant in Poland (under development).
South Africa (<i>Zandkopsdrift</i>)	Rare Earth Elements for magnets >60% (extraction) >90% (processing) Manganese (battery grade) >90% (processing)	Extraction	Frontier Rare Earths Ltd. (Luxembourg)	Deposit aiming to produce REE and manganese in an open-pit mine (45-year lifespan). Permitted operation, DFS targeted for 2027. Plans to integrate on-site processing for manganese and MHREC. Technology and offtake agreement with French Carester.
Zambia (<i>Kobaloni</i>)	Cobalt >80% (processing)	Processing	Kobaloni Energy/Johnny Vellozo (Zambia)	Planned standalone cobalt sulfate refinery. Expression of interest for financing by AFC (2024).
Namibia/France/Germany (<i>Okanjande</i>)	Natural Graphite (battery grade) ~80% (extraction), >95% (processing)	Extraction (officially integrated)	Mine: Northern Graphite (Canada), Integrated project: NGC Battery Materials GmbH	Planned as a cross-border project: features restart of the brownfield open-pit mine (pending FID) and concentrate plant in Namibia, downstream purification and coating (originally planned in France), and testing/R&D in Germany.

Note: FID = Final Investment Decision, DFS = Definitive Feasibility Study, REE = Rare Earth Elements, MREC = Mixed Rare Earth Carbonate, MHREC = Mixed Heavy Rare Earth Carbonate, AFC = Africa Finance Corporation

⁸⁰ Authors' compilation based on EU CRMA Strategic Project data (https://single-market-economy.ec.europa.eu/sectors/raw-materials/areas-specific-interest/critical-raw-materials/strategic-projects-under-crma/selected-projects_en), supported by information provided by project developers and industry experts.

⁸¹ Data retrieved from: IEA Critical Minerals Outlook 2025 <https://www.iea.org/reports/global-critical-minerals-outlook-2025> and USGS Mineral Commodity Summaries 2025 <https://pubs.usgs.gov/publication/mcs2025>

Notably, two of these projects are located in countries with which the EU has not yet concluded a strategic partnership (Malawi and Madagascar), while several strategic partnership countries are not host to any strategic project. As the EU CRMA outlines, the designation as “strategic project” is envisioned as a market enabler: projects should benefit from the facilitation of offtake agreements and “improved access to finance,” though the latter means support with navigating the complex financing landscape described above, rather than any commitment of dedicated EU funding.

2.3. Cross-Cutting Initiatives

Finally, at least two European initiatives in recent years have cut across the levels of countries and specific projects, focusing on capacity building and sourcing of projects, with a specific focus on Africa.

First, AfricaMaVal was a major EU-funded project realized from 2022 to 2025, with France’s BRGM in a coordinating role. The project’s aim was to “develop an EU-Africa partnership ensuring a responsible sourcing of mineral resources for the European industry while granting a sustainable local co-development in the best Environmental, Social and Governance (ESG) conditions and leading to a long-term business environment for European and African companies.”⁸² Work packages included, among others, an assessment of Africa’s CRM supply potential including 10 country profiles, an outline of an overall strategy for integrating EU and Africa value chains for the energy and digital transition, and guidelines on business models meeting ESG objectives. A key work package led by Germany’s BGR also reviewed raw material projects across Africa over roughly two years to identify opportunities that could strengthen EU supply security, generating almost 100 project fact sheets that were meant to feed into a platform for business exchange. In practice, however, the extent to which these fact sheets were put to use remains unclear, and the planned exchange platform was never launched in its envisaged form. A follow-up program titled PanAfGeo+ Invest seeks to strengthen information transfer with developers, investors and other stakeholders on that basis.⁸³

Second, EIT Raw Materials, an organization mandated and funded by the European Commission’s Directorate-General for International Partnerships (DG INTPA), has launched a CRM Facility through which it works with 16 countries across Africa, Latin America, Asia, Southeastern Europe, and Greenland to develop mineral value chains with a focus on the mid-to-downstream. In Africa, partner countries include the DRC, Morocco, Namibia, Rwanda, South Africa, Tanzania, and Zambia. Together with project partner InnoEnergy, EIT Raw Materials seeks to “source promising projects in partner countries and facilitate win-win partnerships with European businesses,” while also providing training on sustainable raw material management.⁸⁴ Operating on a limited

⁸² “AfricaMaVal - Building EU-Africa partnerships on sustainable raw materials value chain,” Africa MaVal, accessed September 28, 2026, <https://africamaval.eu/>.

⁸³ “PanAfGeo+ Invest: Enabling Sustainable Critical Raw Materials Investment,” PanAfGeo, accessed September 28, 2026, <https://panafgeo.eurogeosurveys.org/invest/>.

⁸⁴ EIT Raw Materials, “EIT InnoEnergy and EIT Raw Materials Awarded Critical Minerals Project by the European Commission,” March 25, 2025, <https://www.eit.europa.eu/news-events/news/eit-innoenergy-and-eit-raw-materials-awarded-critical-minerals-project-european>.

budget, the facility focuses initially on analyzing priority supply chains and potential ventures, alongside organizing business-to-business (B2B) matchmaking, to align more closely with industry demand than previous initiatives like AfricaMaVal. However, it is not in a position to offer financial or substantial operational support for selected projects.

3. Why Europe's Efforts Are Falling Short

As established in the previous chapter, the EU and its member states have expanded their raw materials diplomacy across Africa since 2021. This heightened activity is reflected not only in an expanding array of policy frameworks such as the five bilateral CRM partnerships but also in frequent country visits by senior European policymakers and active engagement at major commercial venues such as the annual Mining Indaba conference. However, while these initiatives demonstrate political intent, whether they can deliver industrial outcomes on the ground and ultimately make a substantial contribution to Europe's CRM supply security is a different matter.⁸⁵

The European Court of Auditors has offered an initial skeptical assessment, partly based on trade data. Looking at the full set of strategic partnerships concluded worldwide, it found that imports of energy-transition-relevant raw materials from partner countries fell between 2020 and 2024 for as many materials as they rose.⁸⁶ Such a focus on immediate shifts in trade patterns raises the question of whether Europe should place stronger emphasis on securing existing production in partner countries for European industry use, as the US has been doing in the DRC and elsewhere. If we assess European CRM cooperation efforts on their own terms, however, the more central question is whether there are at least early signs that the instruments discussed above will contribute to an expansion of CRM production in Africa that European industries will be able to reliably access. In other words, are they leading to concrete mining or processing projects not controlled by China or other actors who may withhold the CRMs from global markets, and ideally with firm arrangements for European offtake?

This chapter therefore assesses what tangible impact can already be observed on the ground, also providing qualitative insights into the perspectives of stakeholders involved in relevant efforts. For this purpose, it mostly draws on insights from the expert consultations and industry gatherings described in the introduction, combined with publicly available evidence on relevant market trends, projects and activities.

3.1. Weak Project Pipeline and Industry Interest

A first key observation is that a search for relevant CRM projects in Africa with EU or EU member state involvement yields a small and recurring set of examples. As noted in the previous chapter, only five projects located in or directly connected to Africa were designated as “strategic” under the CRMA. The current EU portfolio is limited to advanced-stage ventures — four junior mining projects and one planned processing facility, selected to support the EU's 2030 supply targets — while exploration remains excluded (see the table in Chapter 2.2 for more detail).

⁸⁵ Schulze, “Strategic Raw Material Cooperation between Africa and Europe.”

⁸⁶ European Court of Auditors, *Critical Raw Materials for the Energy Transition: Not a Rock-Solid Policy*, Special report no. 04/2026 (2026), https://www.eca.europa.eu/ECAPublications/SR-2026-04/SR-2026-04_EN.pdf.

This small number partly reflects the weakness of the pipeline of plausible projects, but also an application process that some developers have described as lengthy and complex, with rigid eligibility criteria and limited awareness among project developers active in African countries. It also points to a rather passive EU approach: unlike international counterparts such as Japan's JOGMEC, which actively scout projects and invest early in exploration, the EU relies on developers to initiate applications. Initiatives like AfricaMaVal have had little impact on changing this dynamic. Industry experts further caution that several of the ventures that applied and were selected "would not have been regarded as tier-one projects a few years ago," while more promising ventures may have seen little value in becoming a "strategic project."⁸⁷ While assessments of each specific project may vary, all face intense international market competition and a risk of acquisition by actors who may not make the material produced accessible to European end users.⁸⁸

Beyond the strategic projects, some further ventures with various forms of European involvement are scattered across the continent. They include a project by the Brussels-based refining company Umicore to produce germanium concentrates in the DRC (for which Belgium also approved a state guarantee in July 2026⁸⁹), a roadmap agreed upon by the French firm Eramet and the government of Gabon to expand manganese processing on the basis of existing mining operations,⁹⁰ and a graphite project in Tanzania, driven by an Australian junior with financing support from both the EIB and Germany's KfW IPEX-Bank.⁹¹ The EIB also supports a lithium project in Namibia, which is being developed by the South African company Andrada Mining.⁹² Another interesting case is the Nigerian-owned company Bravura's attempt to build a lithium processing plant in Germany through a local subsidiary in order to integrate it with its mining operations in Zimbabwe.⁹³ A German company (at the time, a subsidiary of the Dutch AMG Advanced Metallurgical Group) developed a graphite mine in northern Mozambique with support

⁸⁷ The Economist, "Europe Risks a Rare-Earths Crunch between China and America," *The Economist*, January 29, 2026, <https://www.economist.com/europe/2026/01/29/europe-risks-a-rare-earths-crunch-between-china-and-america>.

⁸⁸ Alex Feytis, "EU-Backed Minerals Projects in Africa Move from Policy to Proof," *Mining Technology*, February 19, 2026, <https://www.mining-technology.com/features/eu-backed-minerals-projects-in-africa-move-from-policy-to-proof/>; Jakob Hensing and Ricardo Soares de Oliveira, "Europe Cannot Afford to Leave Its Critical Raw Materials Projects Unprotected," *Agenda Publica*, April 9, 2026, <https://agendapublica.es/noticia/20898/europe-cannot-afford-to-leave-its-critical-raw-materials-projects-unprotected>.

⁸⁹ Umicore, "Umicore and STL Sign Partnership Related to Germanium Recycling from Big Hill's Mining Waste Materials in DRC," May 8, 2024, <https://www.umicore.com/en/media/newsroom/umicore-and-stl-sign-partnership-related-to-germanium-recycling/>; Semafor Africa, "Belgium Backs Major Germanium Plant in DR Congo," *Semafor Africa*, July 31, 2026, <https://www.semafor.com/article/07/31/2026/belgium-backs-major-germanium-plant-in-dr-congo>.

⁹⁰ RFI, "Gabon and France Deepen Industrial Cooperation with Eramet Manganese Deal," *RFI*, July 22, 2026, <https://www.rfi.fr/en/africa/20260722-gabon-and-france-deepen-industrial-cooperation-with-eramet-manganese-deal>.

⁹¹ EcoGraf, "KfW IPEX-Bank Debt Financing Program and Due Diligence Update for Epanko," December 8, 2025, <https://www.ecograf.com.au/wp-content/uploads/2025/12/2997404.pdf>.

⁹² EIB, "EIB Global Backs Sustainable Critical Raw Material Projects in Africa," February 11, 2026, <https://www.eib.org/en/press/all/2026-050-eib-global-backs-sustainable-critical-raw-material-projects-in-africa>.

⁹³ Bravura, "Bravura baut in Deutschland Großanlage zur Lithiumverarbeitung, um deutsche Automobilhersteller und -zulieferer ab 2027 mit Lithiumhydroxid zu versorgen," October 29, 2024, <https://www.presseportal.de/pm/177265/5897348>.

from a German development finance institution, but suspended operations in 2023 on account of the deteriorating security situation.⁹⁴

Overall, though, projects in Africa advancing with EU or member state financing support, or with direct contributions to infrastructure and other enabling conditions, are few and far between. Even in South Africa, where an established mining industry with operations across the continent offers a broad set of potential counterparts for European development banks, it is difficult to identify actors driving actual CRM projects with tangible European support beyond the strategic project Zandkopsdrift. Private investment and the involvement of European firms as project developers remain equally scarce across the continent, as are cases of European industrial end users securing long-term offtakes or establishing joint ventures. The one area in which EU business activity directly related to CRM is somewhat more pronounced is suppliers delivering technology and services to African mines.

The fundamental rationale behind the bilateral raw materials partnerships concluded at both the EU and member state level is that they would create a supportive political framework within which the private sector could independently develop commercial ventures and industrial cooperation. To stimulate such connections, the EU has also supported various “soft” engagement mechanisms, including B2B matchmaking events, dedicated business forums and high-level delegation visits. Participants we interviewed for this study confirm that these formats foster initial interest and generate awareness of available support offers. Instances where they ultimately result in hard commercial investment decisions are rare, however. As shown in the following sections, this is frequently due to structural challenges that the European support offer does not effectively address.

3.2. Offtake and Financing as a Key Unresolved Challenge

When asked why so few CRM projects in Africa are tangibly advancing with European support, industry stakeholders consistently refer to the challenges discussed in Chapter 1, which EU and member state efforts have not effectively addressed. The difficulty of building viable business cases and finding suitable financing solutions in a structurally distorted global market usually takes center stage. In this environment, individuals involved in specific ventures tend to justify their belief in their own project’s business case with reference to some distinctive advantage — whether that be in technology, complementarity with existing operations or a particularly promising geological asset — that will allow it to thrive regardless.

Financing continues to be a central bottleneck. In August 2026, 23 of the 60 critical mineral projects designated as “strategic” under the CRMA reportedly shared a joint “urgent call to action” with the European Commission, stressing that some of them faced

⁹⁴ AMG Advanced Metallurgical Group, “AMG Advanced Metallurgical Group N.V. Secures Project Financing from DEG for Ancuabe Mine Project,” September 25, 2015, <https://amg-nv.com/investors/press-release/amg-advanced-metallurgical-group-n-v-secures-project-financing-from-deg-for-ancuabe-mine-project/?lang=de>.

“acute liquidity and market pressure and immediate jeopardy.”⁹⁵ Speaking for many in the industry in an interview with *Mining Technology*, the CEO of Frontier Rare Earths, the developer of the EU-supported rare earths project in South Africa, highlights: “Policy is great, but you will not get it done without capital – and at the moment, capital is missing.”⁹⁶

Financing continues to be a central bottleneck.

A major challenge in this realm remains the persistent scarcity of investors willing to commit capital to raw material ventures. A primary reason is that many investors retain strong perceptions of projects in Africa coming with elevated risk. This applies beyond Europe, with a US DFC executive, for example, noting bluntly that “we do not see private capital coming in.”⁹⁷ Still, the risk tolerance of European funders is often described as particularly low. Few European commercial banks are willing and able to underwrite mining-specific project risks, with KfW IPEX-Bank, an independent subsidiary of a public development bank, as an important exception. Despite the changes described in the previous chapter, European public financiers are still widely regarded among industry actors as risk-averse and defensive, only slowly beginning to engage with raw materials project financing.⁹⁸

ESG considerations and audits also play a part in this. Though environmental and social standards already play a key role during the permitting stage under local legislation, funders tend to apply additional and often more stringent requirements. European public and development banks widely acknowledge that their requirements are high, both to ensure rigorous internal due diligence and risk mitigation and to uphold accountability for the use of public funds and safeguard their institutional reputation (see also Chapter 1.2). Project developers report challenges resulting from this in two regards. First, high upfront costs for compliance efforts arise already at a stage when long-term financing is rarely available, placing a heavy burden particularly on smaller junior miners and slowing down investment decisions. Second, these difficulties are compounded by inconsistent and poorly aligned requirements across different Western lenders. While some companies see strong ESG performance as a way to distinguish themselves and provide reassurance to potential investors, others look at ESG requirements primarily as a cost driver and a competitive disadvantage against state-backed competitors like China, particularly given that global market offtakers remain largely unwilling to pay an actual ESG premium.⁹⁹

To the extent that financing options are available, developers must navigate a complex “financing mosaic” assembled from pre-existing instruments, as the CRMA did not establish a dedicated EU raw materials fund (see Chapter Supporting Private Sector–Led Projects). While financing needs vary by project and project phase, several developers we

⁹⁵ Eric Onstad, “Some Critical Mineral Firms Chosen by EU Flag Project Liquidity Concerns,” *Reuters*, September 8, 2026, <https://www.reuters.com/world/china/some-critical-mineral-firms-chosen-by-eu-flag-project-liquidity-concerns-2026-09-08/>.

⁹⁶ Feytis, “EU-Backed Minerals Projects in Africa Move from Policy to Proof.”

⁹⁷ Maxwell Akalaare Adombila, “US Steps in to Fund African Rare Earths Shunned by Private Money, Sources Say,” *Reuters*, August 19, 2026, <https://www.reuters.com/world/africa/us-steps-fund-african-rare-earths-shunned-by-private-money-sources-say-2026-08-19/>.

⁹⁸ Center for Critical Minerals Strategy (SAFE), *Critical Moves: Crowding in Capital to Finance Minerals Supply Chains*.

⁹⁹ International Energy Agency, “Global Critical Minerals Outlook 2026.”

spoke to reported a mismatch in what is available. DFIs commonly offer debt, whereas projects in early or development phases urgently require risk-bearing equity. Where equity solutions do exist, hurdles are exceptionally high and minimum ticket sizes are often ill-fitted or too rigid. The same applies to exploration funding, which the German raw materials fund, for example, explicitly excludes. Projects, moreover, also face a severe gap in the transition from discovery to commercial feasibility, failing to meet the maturity criteria of export credit agencies and DFIs. Targeted EIB assistance in this area, such as recent EU-backed grants for projects in Namibia and Tanzania,¹⁰⁰ is highly valued for bridging early readiness gaps, and developers advocate expanding it. On a positive note, developers also broadly acknowledge that the European framework facilitates valuable initial contact with the EIB and relevant national financial institutions.

The question of offtake agreements is also central to the financing challenge, as funders typically expect such contracts to be in place as a precondition for their engagement. This applies not only to private banks but also to publicly backed instruments such as the German raw materials fund and its French counterpart. Conversations with developers about offtake and supply chain integration reveal varying approaches and experiences. There are some cases of integrated projects designed from an early stage as part of an intercontinental value chain. For instance, Northern Graphite submitted an integrated plan for its application to become a CRMA “strategic project,” which originally envisioned processing graphite mined in Namibia at a new purification plant in France. When the French facility had to be deferred, the company pivoted to Saudi Arabia to leverage lower energy costs and generous government funding.¹⁰¹ The Zandkopsdrift rare earths project in South Africa, meanwhile, received the CRMA label only for the mine, but has concluded a technology supply and offtake agreement with the French processing company Carester, under which final refining of most of its output will take place in France.¹⁰² The developer’s CEO praised these EU-facilitated industry introductions as highly helpful for advancing the project.¹⁰³ While this latter case seems encouraging from a European perspective, the fact that processing capacities in Europe are typically still under development creates uncertainty for companies and often leads them to look outside Europe for secured offtake instead.

More generally, developers across EU-backed ventures in Africa report almost without exception that securing viable offtake agreements in Europe remains exceptionally difficult.¹⁰⁴ European buyers expect Chinese prices and decline to pay a premium for resilient supply outside China’s control. Companies in key sectors such as the automotive sector may signal general interest, but typically remain reluctant to sign binding offtake

¹⁰⁰ EIB, “EIB Global Backs Sustainable Critical Raw Material Projects in Africa.”

¹⁰¹ Northern Graphite, “Northern Graphite Completes Processing Plant Relocation to Advance Okanjande Mine Restart,” June 30, 2026, <https://www.northerngraphite.com/northern-graphite-completes-processing-plant-relocation-to-advance-okanjande-mine-restart/>.

¹⁰² Muflih Hidayat, “Zandkopsdrift Rare Earths Project: Economics, Partners & Timeline,” *Discovery Alert*, June 10, 2026, <https://discoveryalert.com/rare-earths-zandkopsdrift-supply-chain-sovereignty-sa/>; Frontier Rare Earths, “Signing of Strategic Technology Supply and Offtake Agreement with Carester, US\$20 Million Equity Investment from the Industrial Development Corporation, and Commencement of DFS for the Zandkopsdrift Magnet Rare Earths and Battery Grade Manganese Project in South Africa,” February 5, 2026, https://frontierrareearths.com/frontier_press_release.pdf.

¹⁰³ Feytis, “EU-Backed Minerals Projects in Africa Move from Policy to Proof.”

¹⁰⁴ See also European Initiative for Energy Security, *Resources for Europe: Financing Critical Mineral Supply Chains*.

contracts, citing price uncertainty or their established procurement model through traders and lower-tier suppliers. In some cases, the fact that future production capacity is not yet secured through financing is *itself* invoked as a reason against committing to an offtake agreement, creating a circular logic given the expectations of funders described above.

In principle, the instrument of CRMA strategic projects appears geared toward addressing the challenges highlighted, as it explicitly comprises assistance with offtake agreements and financing. Developers harbored real hope that the designation would generate EU industry connections and offtake commitments, and there is widespread agreement that the label provides visibility. Matchmaking efforts, however, have yielded few actionable results. Although projects are often guarded about revealing details about their offtake commitments and especially about ongoing discussions, it is clear that several strategic projects' further prospects hinge on downstream integration options. At the time of writing, none of the five CRMA strategic projects located in Africa have reached a final investment decision and crossed the threshold at which capital is actually committed to construction — though this naturally also depends on permitting timelines and overall project development cycles.

The combined challenge of offtake and financing remains central and requires further action at several levels. Regarding financing, many developers stress the importance of simplifying the European landscape and of mobilizing actual additional resources, at the latest in the upcoming Multiannual Financial Framework (2028–2034). This could either take the form of a centralized EU raw materials fund or of a transparent set of schemes that is easier to navigate and access than the current fragmented offerings. More fundamentally, though, many developers and industry experts alike emphasize that stable demand for new supply at viable prices is essential for making projects “bankable” for any financing scheme. For this purpose, Europe would need new instruments, be it broad ones such as price floors or measures targeting specific projects such as “contracts for difference” (agreements under which a public institution and a company set an offtake price in advance, with the public institution covering the gap if market prices turn out to be lower and receiving the surplus if market prices turn out to be higher).¹⁰⁵ In this respect, Europe's efforts contrast especially with those of the US, which has mobilized Project Vault explicitly to intervene on the demand side in addition to the more generous financing support offered by the US DFC. Compared not only to Washington but also to actors such as Japan and the Gulf states, Europe is now almost unique in its hesitation to intervene on the demand side of CRM supply chains.

3.3. Lack of Concerted Backing on the Ground

Project holders typically describe local dynamics and conditions as a comparatively smaller concern for CRM projects. Part of the reason may be that projects with European involvement are mostly still at the pre-FID or development stage, where securing upfront capital remains the primary hurdle. For such early-stage ventures, volatile prices and the

¹⁰⁵ See Klumpp et al., *Out of the Dependency Trap: Why Germany's and Europe's Critical Raw Materials Policy Falls Short and How to Fix It* for a more detailed discussion of available instruments.

Chinese pricing trap pose a more immediate threat to execution than possible local equity mandates or export restrictions on unprocessed ores.

That said, projects have encountered difficulties of this kind. One of the reasons why the EcoGraf project in Tanzania remains at an early stage is that initial efforts were caught up in the resource nationalism episode under President Magufuli mentioned above, even if conditions now appear more stable. More recently, Malawi — host to the Songwe Hill strategic project — banned the export of unprocessed minerals in October 2025 and, in February 2026, suspended the issuance of new mining licenses and ordered an audit of the license registry while maintaining the export ban pending a review of mining legislation.¹⁰⁶ The implications for a project whose commercial logic rests on processing the material in Poland are not yet clear. Local processing projects are equally affected by volatile policy environments. For instance, the DRC's ongoing export restrictions on cobalt ore since 2025 pose a critical risk to the planned Kobaloni refinery in Zambia. As its business case relies heavily on regional inputs, securing reliable supply remains a major hurdle for project execution.

Given the centrality of local value addition to political discourses across the continent, it is generally noteworthy that the five CRMA strategic projects located in or connected to Africa concentrate heavily on extraction: four focus on mining, with only one dedicated to midstream processing. Developers do proactively integrate initial processing steps where economically and technically feasible, as is the case with EcoGraf's planned graphite shaping facility in Tanzania or the integrated production plans for Zandkopsdrift. However, industry experts and stakeholders emphasize that domestic processing in host countries depends on various enabling factors — including scale, feedstock supply, reliable energy, and commercial competitiveness — and is often not realistic in the short term and cannot be implemented by mining ventures alone.¹⁰⁷ The most promising way for European partners to navigate host-state demands is through credible, stepwise plans for building up local capacity, which would benefit considerably from political backing.

Lengthy permitting processes are widely seen in the sector as a standard business challenge, though they do cause delays. While the CRMA promises administrative facilitation, including accelerated permitting for designated strategic projects in the EU, developers unsurprisingly report that the label carries little weight abroad. Inevitably, ventures in Africa must navigate complex host-country bureaucracies in which the EU holds no sovereign jurisdiction. While the role of EU delegations and member state embassies is often described as supportive, they operate with limited capacity and would arguably be in a better position to help if certain projects were explicitly defined as a joint priority between the EU and the respective host state government.

On infrastructure, it is similarly uncontroversial that environments where access to energy and transport is insufficient severely affect projects' business cases and their practical execution. This issue is particularly pronounced in states with poor governance, such as the DRC. Project developers highlight positive examples of targeted support

¹⁰⁶ Roy Mulenga, "Malawi Suspends New Mining Licences and Bans Raw Mineral Exports," *Business Tech Africa*, February 14, 2026, <https://www.businesstechafrica.co.za/article/malawi-has-suspended-the-issuance-of-new-mining-licences-and-banned-the-export-of-raw-unprocessed-minerals>.

¹⁰⁷ Scurfield et al., *Six Keys to Unlocking Equitable Value Addition in Mining*; Vivoda, "What Attracts Critical Minerals Processing?"

becoming a major operational enabler, including official development assistance (ODA) for hydropower infrastructure in Tanzania and cross-border transmission initiatives in Zambia that facilitate regional power trade. It is clear, however, that the EU and member states do not deploy such support around concrete priority CRM projects nearly as systematically as they could.

In theory, concerted efforts toward value chain integration and supportive conditions for mining and processing projects are at the heart of the EU's strategic partnerships, and the roadmaps agreed under them could serve exactly this purpose. In practice, though, they remain disconnected from the CRMA strategic projects and are generally not structured around concrete industrial ventures.

This disconnect is partly a matter of mismatched timelines and processes. From the outset, the timelines for establishing strategic partnerships and for selecting strategic projects were unaligned. The resulting gap is compounded by roadmaps that in many cases lack the flexibility and, above all, the funding to support individual ventures. This approach places EU-supported projects at a distinct disadvantage to those with other external backers acting in a more concerted fashion. Where support, such as assistance for environmental management or transport infrastructure, is provided late (if at all), developers cannot leverage it to secure initial capital or present a competitive offer to host governments.

Beyond procedural misalignment, this disconnect has an institutional dimension. As CRMA engagement is a Team Europe framework, the EU delegations in any given country must coordinate their actions alongside a multitude of member state institutions, each with its own internal logic and priorities.¹⁰⁸ Support for strategic projects in Africa is

Joint or coordinated support efforts between the EU, member states and other international actors remain sparse.

further fractured by structures in Brussels. While DG GROW selects and oversees strategic projects with a focus on supply security and industrial resilience, it commands very limited funding, particularly for overseas ventures. Conversely, DG

INTPA manages most bilateral relations with African partners and controls the bulk of ODA funding under Global Gateway. Although DG INTPA has recently adopted a more business-oriented lens, its core mandate remains rooted in traditional development cooperation rather than industry matters. Without effective early-stage coordination, project delivery and successful value chain integration stall. A prime case in point is the newly established CRM Facility discussed in Chapter 2.3: financed by DG INTPA, it operates in isolation from the EU CRM Centre being built up under DG GROW. There appears to be no clear path toward integration, despite its clear potential to identify new African projects early and align them with European demand and industrial interests.

On the upside, almost all interviewed project holders report that the EU is viewed positively on the ground — an asset that should be leveraged more effectively. Respondents emphasize that political backing is often critical when navigating disputes with host governments. Diplomatic support is especially vital to offset the sparse presence of European companies, whose limited peer collaboration stands in sharp contrast to

¹⁰⁸ Schulze, "Strategic Raw Material Cooperation Between Africa and Europe."

Chinese actors, who coordinate and advocate locally through dedicated bodies such as the Chinese Mining Enterprises Association in Zambia. Developers likewise report very positive engagement with local EU delegations. That support, however, is necessarily mostly advisory: delegations excel at facilitating contacts in Brussels and locally, but are not in a position to orchestrate a genuinely integrated effort to advance projects under difficult conditions.

3.4. Reactive Handling of Other External Actors

As noted in Chapter 1.4, the interest of other external actors in African CRM creates opportunities but also challenges for Europe's engagement on the continent. To date, Europe has largely responded to their moves rather than shaping them.

Most prominent G7 CRM initiatives have been driven by non-European members, though France's 2026 G7 presidency did entail a more active role. Despite high-level political rhetoric and initiatives, tangible collaboration among G7 partners on the African continent remains limited. Flagship infrastructure initiatives such as the Lobito Corridor initially signaled a new era of alignment. However, even in that case, the degree of complementarity between European and US efforts remains unclear. US support mainly comes in the form of a \$553 million US DFC loan for railway rehabilitation (combined with a \$200 million loan from the Development Bank of Southern Africa), underlining the Trump administration's focus on facilitating greater volumes of minerals exports. Meanwhile, Europe articulates a broader vision of collaboration toward sustainable regional development in which significant parts of its funding are allocated to areas like agricultural development or community water supply, but it cannot yet present much by way of tangible implementation.¹⁰⁹ Critics note that the latter applies more broadly to Western efforts, with disbursement of the US railway loan also still pending as of July 2026.¹¹⁰

At the level of concrete mining and processing projects, joint or coordinated support efforts between the EU, member states and other international actors remain sparse, though it is notable that most of the designated EU strategic projects connected to Africa are driven by non-EU developers. G7 members continue to identify and back projects individually; hardly any developers report financial matchmaking beyond existing EU channels, even though platforms such as the Minerals Security Partnership Finance Network were designed for precisely this purpose. Interviews reinforce concerns that separate due diligence processes force projects through multiple and often redundant Western compliance gates, ultimately increasing costs.¹¹¹ Institutionally, the EU is beginning to coordinate more closely with agencies such as Export Finance Australia and the US DFC to streamline due diligence for large-scale projects, but there is clearly scope for more.

¹⁰⁹ Vines, "Caught in the Corridor: Angola, Europe and America."

¹¹⁰ Poorva Karkare et al., *Is the Lobito Corridor Mostly Hype?*, Europolis: The Global Europe Podcast by ECDPM, July 8, 2026, <https://ecdpm.org/work/truth-about-lobito-corridor>.

¹¹¹ See also Center for Critical Minerals Strategy (SAFE), *Critical Moves: Crowding in Capital to Finance Minerals Supply Chains*.

At the same time, the US in particular has engaged with projects supported by the EU and its member states in an apparently uncoordinated fashion. For example, in September 2025, the US DFC signed a \$4.6 million agreement with project developer Mkango for front-end engineering and design work at the Songwe Hill rare earths project in Malawi, with a potential \$100 million loan under consideration.¹¹² Were that support to materialize, it is hard to imagine the US administration accepting that most of the material should flow to Europe as envisaged in the plan that underpinned the EU strategic project designation. More generally, several project developers working with EU or member state support confirmed being approached by US officials regarding potential offtake. According to media reports, for instance, there is US engagement in the EU strategic Maniry graphite project in Madagascar.¹¹³ Meanwhile, on-site coordination between EU and US missions has dropped significantly under the current administration, offering little joint push even for shared undertakings such as the Lobito Corridor.

Saudi Arabia, for its part, has shown interest both in acting as an offtaker for projects with European involvement and in hosting midstream processing capacity itself. The EU and its member states currently have no clear position on such advances. International arrangements beyond the circle of close traditional European partners also clearly merit consideration if they can enable projects that might otherwise fail altogether. But the implications for control over resulting supply chains need to be carefully managed. The EU is currently far from doing so effectively, leaving even its CRMA strategic projects largely unprotected against potential attempts by other actors to lock in eventual outputs for their own use or to acquire their assets altogether.¹¹⁴

¹¹² Mkango Resources, “Press Release: Mkango Releases Q3 2025 Results,” December 1, 2025, <https://mkango.ca/news/mkango-releases-q3-2025-results/>.

¹¹³ Paula Fabe, “Evion Advances Madagascar Asset amid US Critical Minerals Push,” *Mining.Com*, August 14, 2026, <https://mining.com.au/evion-advances-madagascar-asset-amid-us-critical-minerals-push/>.

¹¹⁴ Hensing and Soares de Oliveira, “Europe Cannot Afford to Leave Its Critical Raw Materials Projects Unprotected.”

4. Recommendations for European Policymakers

The EU and its member states have rightly made cooperation with African partners an important part of their agenda to strengthen the resilience of Europe's CRM supply. Their attempts to strengthen political engagement with partner states and improve financing conditions for mining and processing projects are initial steps in the right direction. However, as this study has shown, efforts are clearly falling short of what is needed. A substantial rethink is in order.

Two central assumptions underpinning European efforts to date have proven misguided. The first assumption was that resource diplomacy and political frameworks would by themselves attract industry interest and mobilize private investment in African mining and processing ventures. The second assumption was that such projects — and ultimately, viable alternative value chains circumventing China's chokehold over the global midstream industry — could be incentivized and sustained at scale through market mechanisms alone, without substantial public funding and active industrial policy.

Neither expectation has been borne out. While a few African CRM projects are currently underway with European support, the project pipeline remains limited. The ventures that do exist still have many hurdles to clear before they can start producing; many continue to face considerable difficulties, especially in securing offtake and financing in an environment marked by Chinese market dominance, aggressive price pressure and high capital costs, but also in navigating challenging conditions in host states.

Arguably the most promising element of current EU policy is the designation of strategic projects under the CRMA, which signals a move toward a partnership model built around strategic projects and prioritized value chains. However, this instrument in its current form offers only very limited support and remains largely disconnected from other strands of European activity — notably the joint definition of country-level roadmaps with African partner governments, but also various development cooperation activities that could make important contributions to the success of key projects but are currently not geared toward that aim.

For cooperation with African countries to really contribute to European supply resilience, Europe's approach to building alternative value chains must become far more intentional. Five strands of action are key. The EU and its member states should do the following:

1. Consistently structure CRM partnerships along priority projects

Europe should consistently anchor its CRM efforts in Africa in concrete projects (ideally, clusters of projects), with a joint commitment between the EU, member states, partner governments, and industry actors to collectively lead them to fruition. Rather than waiting for applications to be submitted by private developers, the EU and its member states should conduct their own research and analysis, identify promising initiatives and actively develop them together with suitable industry partners. The current support

Europe provides for geological mapping and exploration in partner countries should provide the foundation for subsequent technical and economic assessments. Options for where to process materials should be systematically evaluated together with partner governments, with the aim of crafting a realistic plan that may also involve collaboration with international refining partners.

The criteria and process to decide which projects to prioritize merit more detailed discussion than space permits here, but the EU and its member states should generally take a pragmatic approach. They must keep an eye on the feasibility of the project, as well as on *how* critical the specific material in question is for Europe's needs. The regulatory landscape of the partner country, its political stability and the quality of its governance should factor into the assessment, but hard "red lines" should be reserved for circumstances like active civil war or the absence of a legitimate government authority. On the whole, Europe should aim for a global portfolio of projects that covers the range of its dependencies and expected future supply gaps, including strategic bets on promising early-stage ventures.

Once Europe has strategically determined to prioritize a given project, it should make sure it enjoys comprehensive political, financial and operational backing. Together with the partner government and industry actors, EU and member state institutions should clarify what investments are necessary in terms of energy and transport infrastructure, training of local skilled workers, technical capacity in public authorities, and other areas. They should propose suitable financing solutions and make sure that their broader development cooperation efforts in the respective country contribute to project success wherever possible. Similarly, they should — at the earliest possible stage — address any of the partner government's policies that may have a major impact on CRM projects, such as export restrictions. Joint roadmaps with partner governments are a useful instrument to formalize mutual commitments, but they need to become more tangible and specific than they have been to date.

2. Ensure reliable demand at viable prices and suitable financing solutions

As part of a comprehensive package of support measures for prioritized projects, the EU and its member states need to address the central challenges of offtake and financing that continue to make such projects risky and unattractive for developers, investors and financing institutions.

Securing reliable demand at viable prices is a key part of the equation. Instruments such as diversification requirements for companies (which would generate at least a certain level of demand for CRM from alternative sources) or price floors combined with tariffs are important options to address this challenge. If Europe cannot achieve significant progress on such broad demand-side interventions soon, though, it will have to take action at the project level — for example, through "contracts for difference" that set an offtake price in advance, with a public institution covering the gap if market prices turn out to be lower and receiving the surplus if market prices turn out to be higher. A European CRM stockpiling scheme could also operate as a strategic buyer and backstop (similar to the role of Project Vault in the US).

In addition to making projects more attractive to funders by securing offtake, financing can be improved by simplifying the fragmented public funding landscape, with resources and instruments aggregated at the EU level as far as is pragmatically possible. While projects with stronger business cases are likely to draw in more private capital, public funding instruments also need more flexibility and resources to provide financing in the form most suited to each project. This should include greater leeway for public ownership stakes in strategic projects, as well as expanded support for feasibility studies and other costs incurred at early stages of project development to broaden the funnel of plausible projects.

Efforts toward strong ESG performance should remain part of the European cooperation model but should be modified to avoid creating additional upfront barriers to project financing. Rather than requiring projects to fully comply with high ESG standards at the outset, public funders should integrate ESG benchmarks into their financing conditions in such a way that projects can begin operations and improve their performance over time. Projects should also receive active support with developing and implementing measures to meet their ESG commitments. In addition, Europe should continue cooperating with local authorities on ESG — ultimately, standards should be defined by the host state based on its own political priorities and then enforced universally for all actors operating in the country, so that projects working with European financing institutions compete with their international peers on a level playing field.

3. Build an institutional setup that can deliver this Europe–Africa cooperation model

If the EU is to take on such an active role in driving priority projects, it will need greater institutional capacity and a better setup — one that currently does not yet exist in the EU. The current efforts to establish an EU CRM Centre provide a window of opportunity to create these institutional preconditions. Ideally, the tasks outlined above should be concentrated in this new institution and matched with corresponding resources, pooling expertise currently scattered across various EU and member state institutions and channeling it toward the delivery of a coherent agenda.¹¹⁵ A strong EU CRM Centre will also make it easier to manage interfacing with the private sector in a consistent and transparent manner; this includes companies both from Europe and from third countries that could play a role in delivering priority projects and enabling their integration into end-to-end value chains.

Within the European Commission, coordination between DG GROW (which selects and oversees strategic projects) and DG INTPA (responsible for managing bilateral relations and controlling the bulk of development funding) needs to improve markedly. As some complexity and transaction costs are unavoidable in any large bureaucracy, a clearer political mandate that makes supply security the overarching objective for all parts of the EU apparatus concerned with CRM-related issues is vital. EU member states should also commit to aligning their bilateral activities in relevant countries more consistently with this overarching direction.

¹¹⁵ More generally on the EU CRM Centre, see Tom Moerenhout and Maximilian Kessler, “An Effective and Efficient Critical Raw Materials Centre,” Submission for EC DG GROW Public Consultation on the Critical Raw Materials Centre, Geneva Platform for Resilient Value Chains, July 29, 2026.

A final way to get the EU's institutional capacity up to speed is to increase EU delegations' technical CRM sector expertise and capacity on the ground. Delegations should acquire a clearer lead role in coordinating all European CRM-related activities in close exchange with the EU CRM Centre, including through better information sharing and alignment of activities on the part of EU member states.

4. Act jointly with international partners

Cooperation with additional international partners could significantly improve the prospects of Europe's bilateral CRM cooperation efforts in Africa at several levels. This is obviously true when it comes to joint efforts to reshape demand and price dynamics in global CRM markets. Internationally coordinated price floors, for example, are clearly preferable to an EU-only solution. Europe should therefore take a more active role in driving and shaping emerging plurilateral formats. Both the G7 Critical Minerals Resilience and Production Alliance and FORGE are promising formats, as they explicitly seek to address the pricing and offtake problems that are as central to projects in Africa as they are in other parts of the world. In this vein, Europe should push for the inclusion of African producer countries that have demonstrated their commitment to cooperation into such formats, rather than confronting them with schemes developed in a "consumer club" in which they have no active stake.

In parallel, Europe should pursue joint action with third countries that offer relevant mining and processing expertise as well as options to integrate projects into viable end-to-end supply chains. Australia and Canada, for example, offer deep technical mining expertise and active junior miner ecosystems that Europe is conspicuously lacking. Countries such as South Korea, Japan, the US, and newer entrants such as Saudi Arabia can be plausible midstream partners for African-European CRM projects in cases where building required processing capacity in Africa or Europe poses challenges. The EU and member states should take the lead in orchestrating such cooperation efforts and shape them in a way that is consistent with their broader, partnership-oriented approach on the continent.

Finally, there is clear potential to make international co-financing easier, both for individual projects and along whole value chains. Europe should push for harmonized due diligence standards and explore the possibility of single-point-of-entry arrangements with close partners, enabling developers to submit proposals to different Western financing institutions that cooperate with each other without various overlapping processes and compliance gates.

5. Ensure that successful projects improve EU supply security

Finally, Europe must ensure that mining and processing projects in Africa that it helps bring to fruition actually end up contributing to its own supply security. Robust and transparent contractual agreements with partner governments, industry actors and (where relevant) other external actors engaged in the same ventures are indispensable here. In return for the significant mobilization of European resources that the cooperation model proposed here entails, the EU and its member states should demand

firm commitments on reliable access to an adequate share of a project's output. Currently, there is a clear risk that when EU-supported projects prove successful, non-European actors will try to secure their outputs or even acquire them outright, leaving Europe in the dust.

In part, this issue can be addressed through the offtake agreements that will be critical to bringing projects to fruition, as discussed above. A European CRM stockpiling scheme acting as a buyer of last resort would offer an additional safeguard ensuring that materials are only released to the global market once European demand is truly met.

To the extent that projects may fail to contribute to European supply security due to policy changes in the respective host state (such as export restrictions, nationalization of assets or reallocation of licenses), the EU and member states must also address the issue at the political level with partner governments. They should emphasize that Europe is committed to a partnership model that advances local value creation, but that the projects at stake are also of vital European interest, and that reneging on agreements that partner governments voluntarily entered into would also carry consequences in other policy areas, from development cooperation to trade. Being explicit about these expectations and terms is not in tension with a genuine partnership offer. On the contrary, it highlights the character of Europe–Africa cooperation on CRM as an interest-based compact from which both sides have much to gain, and that they will pursue with corresponding seriousness.

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