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AFRICA CENTRE FOR
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POLICY BRIEF

Critical Minerals, Critical Choices:
A Governance Framework for Africa's Green Industrial Future

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Abbreviations and Acronyms

Acronym	Meaning
ACCET	Africa Centre for Critical Minerals and Energy Transition
AfDB	African Development Bank
AGMS	Africa Green Minerals Strategy
ASM	Artisanal and Small-Scale Mining
DRC	Democratic Republic of Congo
IEA	International Energy Agency
IMF	International Monetary Fund
UNECA	United Nations Economic Commission for Africa
UNODC	United Nations Office on Drugs and Crime

Executive Summary

Africa's critical minerals are carrying more strategic weight than the governance systems around them. The continent holds minerals central to the global energy transition and the technologies that will shape the next industrial economy. Yet many national frameworks still treat them mainly as extractive commodities. The risk is clear: if governance remains narrow, Africa may supply the minerals for the transition while others capture the refining, technology, jobs, revenue, and bargaining power that follow.

This policy brief argues that Africa's central challenge is governance insufficiency. Value does not leak only at the mine site; it can be lost across the wider value chain. Because bulk minerals such as copper, cobalt, lithium, and manganese move through formal trade routes, value can be lost through misdeclaration of weight, grade, origin, and price. A more complex resource curse is also emerging through "legal façade" companies, hidden beneficial owners, shell structures, false invoicing, weak corporate liability, and poorly monitored export systems. In this setting, illegality does not always operate outside the formal economy; it can hide inside it.

Three insights guide the brief. First, the main governance risk is no longer confined to the mine site. For bulk minerals, value can leak through the mineral logistics and export chain, where weak verification allows misdeclaration, undervaluation, and disguised ownership. Second, the new resource curse is harder to detect because it often operates through formal systems. "Legal façade" structures can hide real beneficiaries, obscure financial flows, and allow firms to appear compliant while avoiding accountability. Third, value addition depends on capacity. Export restrictions may signal ambition, but without processing capacity, reliable energy, finance, skills, infrastructure, enforcement, and regional coordination, they can push minerals into unofficial channels rather than domestic factories. The Zambia–DRC battery value-chain initiative shows how regional platforms can help shift minerals from fragmented raw exports toward industrial capability.

The policy response should be immediate and practical. African governments should strengthen port-gate, border-gate, and customs enforcement through digital traceability, automated weighbridges, independent assay systems, and integrated tax–trade data. They should establish public beneficial ownership registries across the critical minerals value chain, while holding companies legally responsible for abuses that damage the environment, reduce public revenue, or weaken responsible sourcing. Development partners and private investors should fund governance infrastructure, not only extraction or isolated processing projects, by supporting the digital, institutional, technical, and regional systems needed to make mineral governance credible and value addition bankable.

Africa has a narrow window to turn critical minerals into green industrial power; without stronger governance, the continent will export the minerals and import the finished future.

1. Background

Africa's critical minerals have moved from the margins of mining policy to the centre of global industrial strategy. Cobalt, copper, lithium, manganese, graphite, bauxite, and rare earths now power the technologies driving the global energy transition: electric vehicles, battery storage, solar panels, wind turbines, power grids, and digital infrastructure.

Demand for these minerals is projected to more than double by 2030 and quadruple by 2050 if governments are to meet announced climate and energy pledge. This places Africa in a rare position of strategic relevance.

As **Figure 1** shows, the continent is not only richly endowed with critical mineral reserves; it also plays an important role in current global supply. Africa holds substantial shares of global reserves in minerals such as platinum group metals, chromium, etc., while Sub-Saharan Africa provides about 80% of global cobalt supply.

DRC and Zambia account for nearly 30% of global copper output. What's more, Africa also holds over 50% of global manganese reserves and more than 20% of global bauxite reserves.

Together, these figures point to a clear opportunity: Africa's mineral base can become a foundation for green industrialisation, stronger public revenue, regional value chains, and greater bargaining power in the global economy.

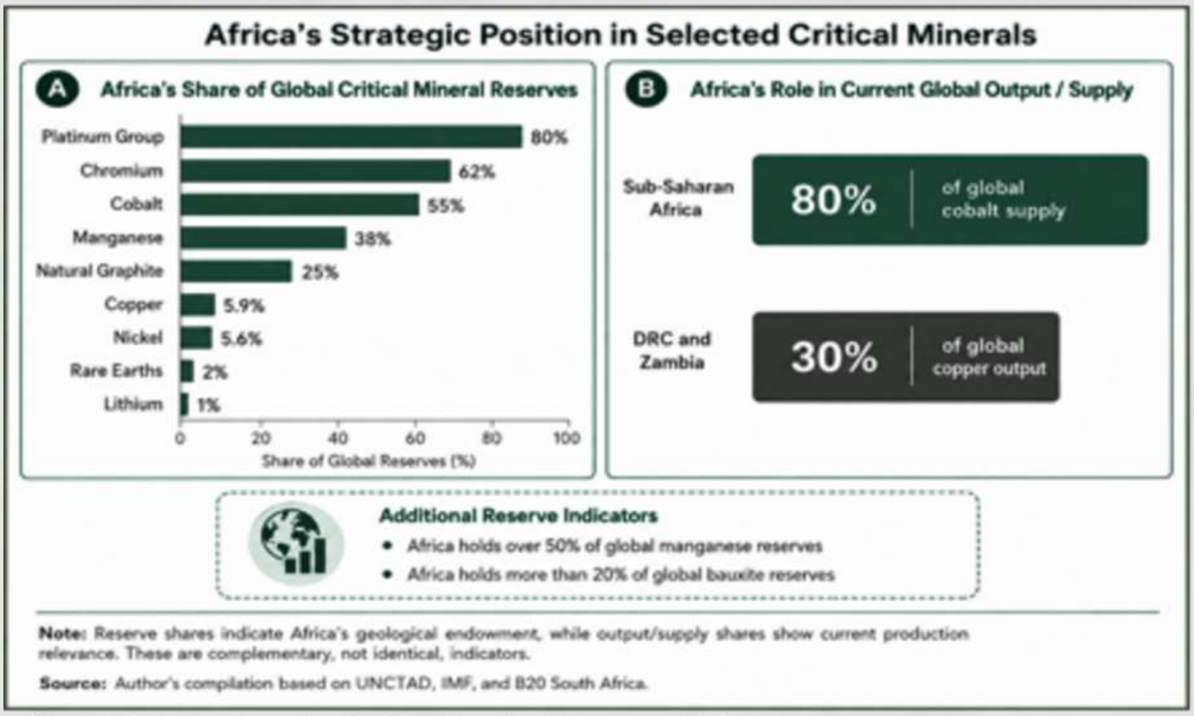

Fig 1: *Africa's Strategic Position in Selected Critical Minerals*

> The central argument is that Africa does not merely need more extraction; it needs a strong governance framework.

But the opportunity is not automatic. The same minerals that could support Africa's industrial future could also deepen an old extractive pattern in a new climate language. Major stakeholders are already moving to secure African mineral feedstock, while downstream processing capacity is being built aggressively elsewhere. Saudi Arabia's push under Vision 2030 to become a processing hub illustrates the risk of a "refining bypass": Africa supplies the raw concentrates, while others capture the refineries, battery plants, technology, jobs, and financial returns.

Questioningly, how can African countries govern critical minerals in a way that prevents leakage, corruption, weak accountability, and external value capture? The central argument is that Africa does not merely need more extraction; it needs a governance framework strong enough to convert mineral wealth into industrial capability, public value, community protection, and strategic influence.

2. The Central Problem:

The Governance Gap in Africa's Critical Minerals Sector

> Africa's critical minerals opportunity is being weakened by governance systems that still treat minerals mainly as extractive commodities, not as strategic assets for green industrialisation.

Many countries can license, tax, and export minerals, but they do not yet govern the full route through which value is created, lost, hidden, or transferred abroad. For bulk minerals such as copper, cobalt, lithium, and manganese, leakage often occurs beyond the mine gate, through transport corridors, weighbridges, customs points, ports, export terminals, valuation systems, and offtake agreements.

UNODC identifies false declarations of origin or value, front and shell companies, supply-chain infiltration, and corruption as key mineral crime risks, meaning that a shipment can appear legal while public revenue is lost through false invoicing, misclassification, underreporting, or disguised ownership.

The problem is also becoming harder to detect because the new resource curse often hides inside formal systems: legally registered firms, politically connected intermediaries, hidden beneficial owners, weak corporate liability, and opaque contracts can allow actors to bypass tax, environmental, and social obligations while appearing compliant. Informal and social risks add another layer. Artisanal and small-scale mining remains poorly regulated for many critical minerals beyond gold, creating openings for unsafe labour, untraceable mineral flows, land conflict, criminal infiltration, and community harm.

At the same time, policy ambition is moving faster than implementation capacity. Export bans and beneficiation rules, such as Namibia's restrictions on selected unprocessed critical minerals, can signal value-addition intent, but they may backfire if processing capacity, reliable energy, finance, logistics, enforcement, and investor confidence are not in place. The Zambia–DRC battery value chain initiative shows a more strategic path through regional coordination, but such models remain too rare.

The core problem, therefore, is governance insufficiency: Unless African countries control the full mineral value chain, critical minerals may power the world's green transition while leaving Africa with limited gains and familiar extractive costs.

3. Key Insights

3.1 Value leakage is moving beyond the mine gate

Critical minerals governance can no longer stop at licensing, concessions, mine security, and environmental permits. These controls matter, but they miss where much of the leakage occurs.

Bulk minerals such as copper and others move through trucks, rail, weighbridges, ports, customs points, assay systems, and export declarations. This creates opportunities for under-weighing, misclassification, undervaluation, false origin claims, and disguised ownership.

The United Nations Office of Drugs and Crime (UNODC) identifies false declarations, front companies, and document-based manipulation as key risks in mineral supply chains.

As **Figure 2** shows, value can leak at several points along the chain, especially during transport, border/port verification, customs clearance, and export valuation.

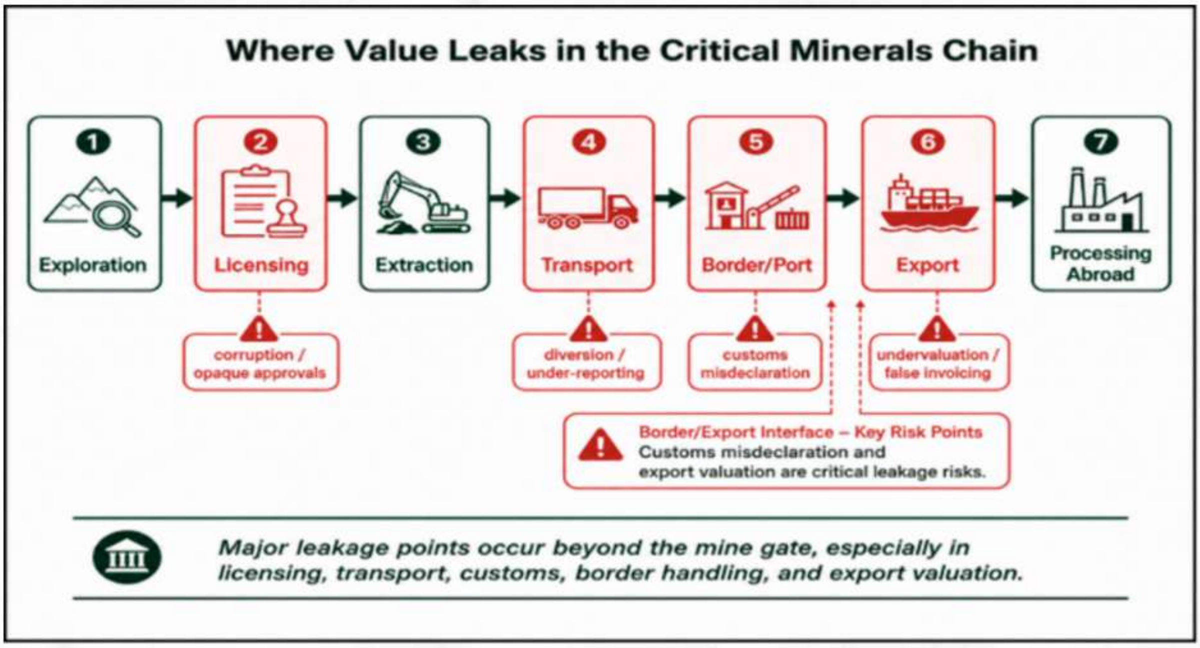

Figure 2. *Where Value Leaks in Critical Minerals Chain*
Source: *Author's Construction based on United Nations Office on Drugs and Crime*

3.2 The new resource curse is operating through formal systems

Africa's critical minerals challenge is not only illegal mining or open smuggling. One major obstacle is the use of legal structures for illegal gain. Layered corporate structures, hidden ownership, and opaque mineral deals can make extractive abuse appear legitimate.

As illustrated in **Figure 3,** the "legal façade" risk allows value to disappear through ownership layers and financial channels rather than through obvious theft. This makes the new resource curse harder to detect. The issue is not only whether a company is licensed, but whether ownership and relevant deals are visible enough to be scrutinised. Where they remain opaque, public revenue can leak while firms appear compliant.

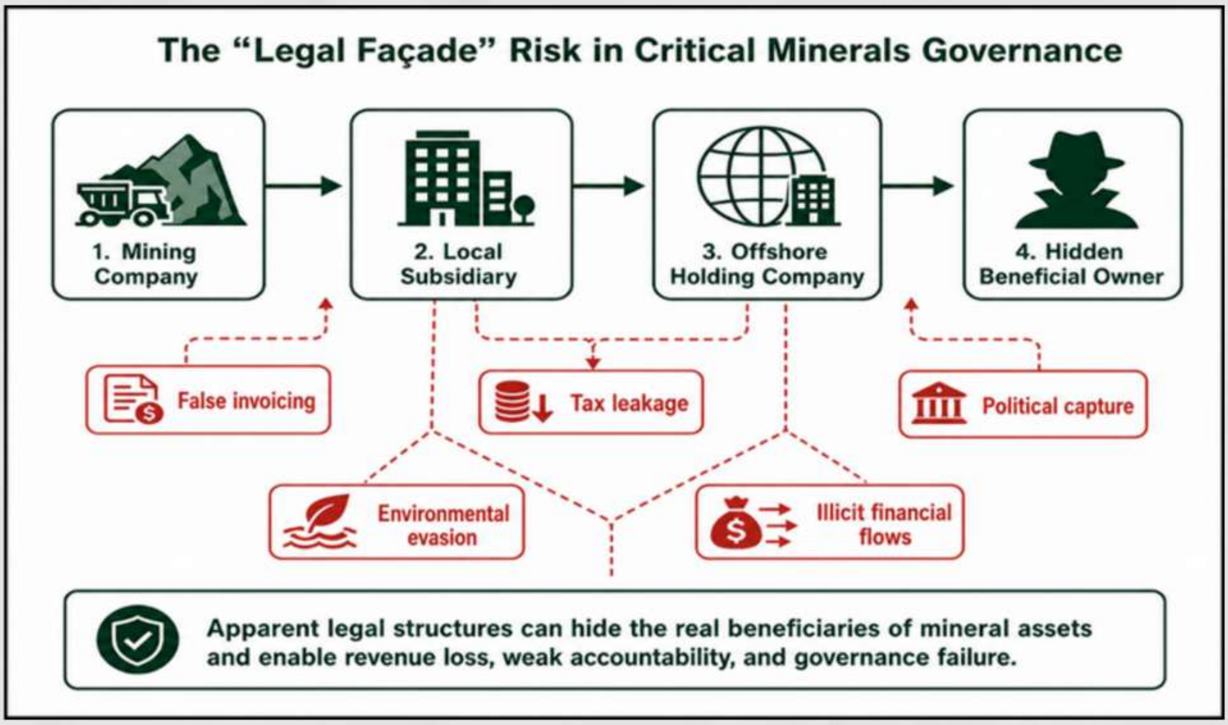

Figure 3. *The Legal Facade Risk in Critical Minerals Governance*
Source*: Author's Construction based on United Nations Office on Drugs and Crime*

3.3 Export bans work only when capacity is ready

Export restrictions, beneficiation rules, and local processing requirements can help African countries retain more value, but they cannot replace industrial readiness. They work only when backed by real industrial and enforcement capacity. Otherwise, bans may reduce legal exports while expanding unofficial trade and false documentation. Zimbabwe's lithium policy shows the promise of using policy pressure to support domestic tax capture and local processing, but the wider lesson is that restrictions must be sequenced with real capacity.

Figure 4 illustrates that export controls produce stronger value addition only when processing and enforcement are both strong.

Figure 4. *When Export Restrictions Work-and When They Backfire*
Source*: Author's Construction based on* *Africa Union, 2025*

3.4 Africa must negotiate as a value-chain partner

Global actors are moving quickly to secure Africa's critical minerals through strategic supply-chain investments. This creates an opportunity for finance, technology, and market access, but it also raises a risk: if these deals only move raw minerals to external processing hubs, Africa will remain a feedstock base for other regions' green industrial ambitions.

As **Figure 5** shows, the stronger pathway is to move from raw exports to regional value-chain participation. The Zambia–DRC battery value chain initiative points in this direction by showing how African countries can move from isolated export strategies to regional industrial positioning.

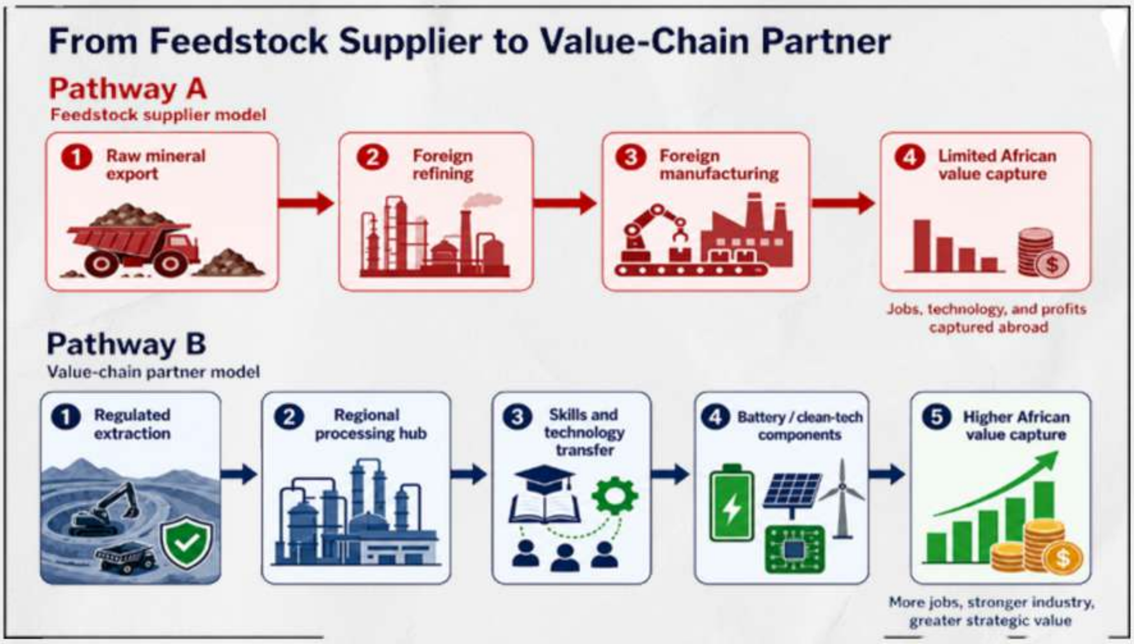

Figure 5. *From Feedstock Supplier to Value-Chain Partner*
Source*: Author's Construction based on AfDB, UNECA*

4. Policy Recommendations

4.1 Govern the full mineral route, not only the mine site

African governments should shift enforcement from a narrow mine-site focus to the full trade route: licensing, extraction, transport, weighbridges, border crossings, ports, export terminals, and processing agreements. For bulk minerals such as copper, major leakage often occurs through misdeclaration of origin, grade, weight, and value within formal systems.

Digital tracking and stronger export verification should become standard requirements. This is more effective than relying mainly on mine-site policing because the most valuable manipulation may happen after extraction, when minerals move through paperwork, logistics systems, and export channels.

2. Make ownership, contracts, and corporate responsibility transparent

All critical mineral licences, processing permits, export approvals, and offtake agreements should disclose ultimate and intermediate beneficial owners. Governments should also introduce or enforce corporate liability so that companies (not only individuals) can be held accountable for fiscal, environmental, sourcing, and labour abuses.

This recommendation addresses the "legal façade" problem directly. Transparency should not be treated as administrative housekeeping; it is a defence against elite capture and revenue loss.

3. Tie mineral access to local or regional value-addition commitments

African countries should not grant long-term access to strategic mineral feedstock without clear obligations to build local or regional industrial capability. Mineral agreements should move from simple extraction and export contracts to reciprocal value-chain partnerships.

This matters because foreign capital is needed, but poorly negotiated capital can reinforce dependency. If feedstock access is not linked to industrial capability, the continent may remain the raw-material base for refineries and clean technology industries elsewhere.

4. Sequence export restrictions with real processing capacity

Export bans and beneficiation rules should be used carefully and tied to clear industrial milestones. Before restricting exports, governments should assess industrial readiness and related implementation conditions.

If restrictions come before viable domestic or regional capacity exists, they may encourage false documentation and informal trade rather than local value addition. A phased approach is stronger: build capacity, strengthen enforcement, secure investment, and then tighten export rules.

5. Formalise ASM and strengthen responsible sourcing systems

Artisanal and small-scale mining in critical minerals should be brought into regulated supply chains through simpler compliance and traceable legal markets. This should extend beyond gold to key transition minerals (cobalt, copper, lithium, and manganese). Formalisation should make compliance easier than informality.

If ASM remains invisible, it will continue to create openings for criminal activity, unsafe labour, land conflict, and untraceable mineral flows. Responsible sourcing is not only a social priority; it is a condition for market access.

6. Fund governance infrastructure and regional value-chain platforms

Development partners and private investors should finance the systems that make critical minerals governance credible and value addition bankable. Priority should go to digital oversight, technical standards, skills systems, and regional value-chain platforms such as the Zambia–DRC battery initiative. Funding only extraction or isolated processing projects will not solve the governance problem.

The stronger investment is in the institutional and regional architecture that lowers risk and strengthens Africa's bargaining position.

5. Conclusion

Africa's critical minerals can either deepen the old extraction model or become a foundation for green industrialisation. The difference will depend on governance.

If weak systems persist, value will continue to leak through misdeclared exports, hidden ownership, weak corporate accountability, under-regulated ASM, and poorly sequenced export restrictions. Africa may supply the minerals for the global energy transition while others capture the refining, technology, jobs, and strategic power.

But this outcome is not inevitable. A stronger governance framework can change the direction of the critical minerals boom. By controlling the full mineral route, exposing beneficial ownership, enforcing corporate responsibility, formalising ASM, sequencing value-addition policies, and linking mineral access to local and regional industrial commitments, African countries can move from passive supply to strategic participation.

The urgency is real because global actors are already positioning themselves. Refining hubs, offtake agreements, sovereign capital, and mineral partnerships are being built now. Africa cannot afford to enter this race with fragmented rules and weak bargaining systems. Critical minerals must be governed as strategic assets, not ordinary exports.

The choice is therefore stark but simple: Africa can supply the green transition from the margins, or it can shape it from within the value chain. The difference will be governance.

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The **Africa Centre for Critical Minerals and Energy Transition** (**ACCET**) is a policy-oriented think tank dedicated to advancing Africa's strategic position in the global shift toward clean energy and sustainable industrialization.

ACCET is positioned as a trusted, Africa-based platform for translating global energy transition dynamics into actionable strategies for the continent.

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