#TheAfricaRoundtable

Follow Up Paper

The Africa Roundtable

New Models for Africa-Europe Critical Mineral Partnerships

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Global Perspectives Initiative

Global Perspectives Initiative is a non-profit and independent dialogue platform based in Berlin, Germany. *Global Perspectives* works towards enhanced engagement and responsibility for sustainable development by German and European decisionmakers and aims to strengthen African perspectives in policy making. To this end, *Global Perspectives* regularly brings together decision-makers from business, academia, politics, media, and civil society to discuss new approaches, provide new impulses and raise awareness on the common opportunities and challenges the two neighboring continents are facing.

The Africa Roundtable

The Africa Roundtable is the forum for decision-makers from the political, business and civil society spheres in Europe-Africa cooperation. It deals with pressing issues and challenges of the neighboring continents and develops partnership-based solutions and models for future cooperation. Twice a year, *the Africa Roundtable* gathers its participants, alternating between the European and the African continent. Publications, which are generously provided by our partners, ensure a fact-based discussion. A Follow Up paper, which compiles takeaways and recommendations from the discussion, is published after each gathering. Regular text contributions accompanying *The Africa Roundtable* ensure a continuous dialogue.

Overview

This report documents the discussion at *The Africa Roundtable*'s 9th edition on **New Models for Critical Mineral Partnerships** between Africa and Europe.

- **KEY TAKEAWAYS & RECOMMENDATIONS**
  Main findings from *The Africa Roundtable* discussion on the need for a fundamental shift toward faster, investment-driven, commercial partnerships on equal footing.

- **INTRODUCTION**
  Background on the roundtable convening and the role of critical raw materials for the green transition and industrial competitiveness.

- **SETTING THE SCENE**
  Why Africa's critical minerals are essential to Europe's future, based on comprehensive analyses by our knowledge partners *African Center for Economic Transformation (ACET)* and *McKinsey*.

- **RETHINKING FRAMEWORKS**
  Translating development cooperation into private sector investment at the scale that delivers value addition and industrialization.

- **FINDING ENTRY POINTS**
  Building actionable pathways for translating critical minerals cooperation from aspiration to implementation.

- **CLOSING & OUTLOOK**
  Summary of discussion outcomes and areas for continued dialogue.

Follow Up Paper

The Africa Roundtable

New Models for Africa-Europe Critical Mineral Partnerships

The Africa Roundtable discussion, held in Berlin on December 4, 2025, identified both challenges and promising pathways for transforming Africa-Europe Critical Mineral Partnerships. A candid assessment emerged: while European development cooperation has built substantial foundations, current approaches have not yet delivered value addition at the scale envisioned, and the pace of progress lags other actors also engaged across the continent. African nations increasingly exercise choice among multiple global suitors, making clear **that partnership success requires fundamental shifts** – from development frameworks toward investment logic, from lengthy processes towards pragmatic speed, and from donor-recipient dynamics towards commercial partnerships on equal footing. The following recommendations emerged as priorities for action, reflecting the understanding that **Europe's window of opportunity**, while still open, **requires both urgency and transformed approaches** to deliver mutual benefit.

KEY TAKEAWAYS & RECOMMENDATIONS

From Development-Driven to Investment-Driven Partnerships

European development cooperation has supported governance capacity-building in many African countries' mineral sectors, providing valuable technical assistance and transparency mechanisms. The next step is translating this foundation into private sector investment at scale. **Partnership models should increasingly prioritize investment as the primary driver**, with development goals pursued through commercially sustainable structures rather than serving as preconditions for investment. European companies should identify and pursue clear strategic interests in African projects, securing resilient supply chains and long-term competitiveness, while development agencies focus on de-risking early-stage exploration and infrastructure, creating conditions for private capital to enter projects at a bankable phase.

Adopt Project-Specific Risk Assessment

African mining projects are routinely priced on country risk rather than the realities of individual sites, inflating capital costs and pushing viable projects out of contention. A stable copper operation in the DRC should not carry the same premium as assets in conflict areas. Development finance institutions and commercial lenders should therefore shift to granular, project-level risk frameworks that reflect actual operating conditions. **Risk-sharing tools**, such as political risk insurance, first-loss positions and robust offtake agreements, **should be structured around specific projects, supported by a cultural shift inside institutions** toward informed risk-taking where fundamentals are strong.

Enable Regional Collaboration and Bloc Negotiation

Regional collaboration offers significant opportunities to achieve the scale needed for international competitiveness; **clustering can reduce costs by 40-50% for energy and unlock shared infrastructure investments**. Africa could strengthen its negotiating position by **engaging with Europe as a bloc** using the *African Green Minerals Strategy*. Priority clusters identified in *McKinsey*'s analysis include the DRC-Zambia copper belt, South Africa-Zimbabwe platinum group metals, DRC-Rwanda-Burundi tin-tungsten-tantalum, and West Africa iron ore and bauxite. The recently initiated *African Mineral Development Center* could play an important role in regulatory harmonization as it develops its capacity, while the *African Continental Free Trade Area* provides existing frameworks for cross-border implementation.

Build Processing Capacity Through Partnership Models

Significant opportunity exists to develop downstream processing capacity where value creation and job generation occur. For example, currently the majority of DRC's cobalt exports to China for processing while **less than 2% of cobalt trades within Africa**, suggesting substantial room for regional value addition. European technology partners could establish joint ventures for processing infrastructure co-located near mining operations, focusing on minerals like lithium, graphite, copper, and manganese where conditions are favorable.

Partnership structures could expand beyond bilateral Europe-Africa frameworks to leverage complementary strengths from multiple regions. For example, Gulf capital, European technology and financing, and African resources could combine to create more robust value chains. This approach would ensure local employment, reduce transportation costs, and provide Europe with processing capacity diversified beyond current concentrations.

Accelerate Implementation with Urgency and Pragmatism

Germany and the EU have established memoranda of understanding with DRC, Zambia, South Africa, and Namibia that address critical minerals cooperation. However, the perception persists that **Europe moves too slowly** while other actors operate with greater speed and pragmatism. Building on existing frameworks, implementation could be accelerated by **shifting emphasis from process to outcomes**: designating fast-track projects, allocating dedicated financing beyond pre-existing commitments, establishing joint implementation teams with decision-making authority, and creating quarterly review mechanisms with senior government participation. **Germany's €1 billion commitment** through the *Rohstofffonds (Raw Materials Fund)* for critical raw materials represents a significant opportunity that should be deployed rapidly for geological exploration and infrastructure.

Coordinate German Financing Instruments

Germany has developed multiple financing instruments for critical minerals – development cooperation, trade finance, investment guarantees, and diplomatic support. **Better coordination among these tools could multiply their impact** through integrated deployment. Comprehensive packages could combine exploration grants from development budgets, political risk insurance for construction, commercial debt for operations, and trade credits for offtake agreements, addressing project needs holistically. Grant resources could particularly support geological exploration across Africa, which receives notably lower global exploration investment than comparable regions like Canada or Australia, **systematically de-risking early stages to attract commercial capital for development**.

Make Competitiveness Central and Address Market Dynamics

Long-term partnership success depends on achieving cost competitiveness in African mining and processing. Key opportunities include systematically addressing energy costs through transmission infrastructure and renewable generation investments. **Market dynamics also warrant attention** – situations where below-cost pricing undermines new production investments could be addressed through mechanisms like floor prices for strategic minerals, premium offtake agreements, and coordinated responses among consuming nations. China's resource strategies, which operate on 20–30-year horizons, suggest value in taking a more strategic, long-term approach. **Investment in shared infrastructure** should be recognized as foundational for subsequent private mining activity.

INTRODUCTION

The 9th edition of *The Africa Roundtable* convened in Berlin on December 4, 2025. The high-level discussion brought together over 30 decision-makers from Germany, Europe, and the African continent to explore pathways for forging new partnership models around Africa's critical mineral wealth that could deliver value creation for both continents.

The discussion took place at an opportune moment. Europe is actively strengthening its position in critical raw materials for the green transition and industrial competitiveness, with the *European Union's Critical Raw Materials Act* establishing ambitious targets to diversify supply chains. Simultaneously, African nations are asserting their vision to move beyond raw material extraction toward genuine value addition, industrialization, and sustainable development that creates jobs and builds local economies.

Africa holds extraordinary mineral wealth essential to the global energy transition: 30% of the world's critical mineral reserves, including 70% of global cobalt production from the Democratic Republic of Congo, 60% of manganese from South Africa and West Africa, and substantial reserves of lithium, copper, rare earth elements, and other materials indispensable for batteries, renewable energy systems, and digital technologies. The opportunity is to ensure the continent realizes greater benefit from this endowment, **moving from raw material exports toward value addition, manufacturing, and job creation**. For Europe, the opportunity is securing resilient supply chains while supporting African industrialization – but this window requires both urgency and transformed approaches.

Recent partnership agreements between African nations and global powers – including the EU-Namibia strategic partnership, the U.S.-led Mineral Security Partnership, and China's extensive infrastructure-for-resources arrangements – represent important steps but have not yet fundamentally transformed the dynamic. While **European development assistance** has built substantial capacity, translating this into large-scale private sector investment remains a challenge. **China's pragmatic approach** delivers infrastructure and investment, though often within extraction-focused models. The U.S. increasingly integrates private sector from project conception. Each approach offers lessons.

Based on reports by *The African Center for Economic Transformation (ACET) and McKinsey & Company, The Africa Roundtable* discussion explored opportunities to **bridge the gap between partnership ambitions and practical results**. Participants recognized Europe's strengths in providing development assistance for governance, transparency, and capacity building, while also noting that translating this foundation into concrete private sector investment and value creation represents the next frontier. The discussion examined how different actors' more transactional approaches deliver tangible results, and how Europe could integrate its values with greater commercial pragmatism.

This Follow-Up Paper captures the key insights and actionable recommendations that emerged from the discussion. The recommendations reflect a shared conviction among participants: that **achieving mutual prosperity will require building on existing strengths** while rethinking certain aspects of how Africa and Europe collaborate on critical minerals – moving from aspiration to pragmatic action that creates tangible benefits for both continents.

SETTING THE SCENE

Why Africa's Critical Minerals Matter for Europe's Future

Africa holds 30% of the world's proven critical mineral reserves, with the Democratic Republic of Congo accounting for 70% of global cobalt production, South Africa, Gabon, and Ghana controlling 60% of manganese production, and Ghana and Guinea together holding 30% of global bauxite resources. The opportunity is substantial: translating this endowment into greater economic benefit through value addition, manufacturing jobs, and technological advancement on the continent.

The Africa Roundtable discussion drew on comprehensive analysis from two key research partners to frame opportunities and challenges. The *African Center for Economic Transformation (ACET)* emphasized the policy and partnership dimensions, while *McKinsey & Company* focused on operational strategies for translating potential into production.

Rethinking Partnership Models

ACET's policy brief highlights that Africa's development agenda could receive greater attention in critical minerals discussions, which have often focused on Western access or geopolitical considerations. The 2024 G20 declaration explicitly recognized this opportunity, stating that **sustainable development requires value addition throughout critical mineral value chains**, not merely extraction.

Current partnership agreements offer valuable lessons. **China remains the largest buyer of Africa's critical minerals**, importing a third of the continent's mineral and metal exports valued at $16.6 billion in 2020, with significant infrastructure investments. However, 90% of DRC's cobalt continues to export for processing elsewhere for example. The United States has increased engagement through the Mineral Security Partnership, with **U.S. FDI to Africa reaching $7.8 billion in 2023**. EU partnerships with Namibia and Zambia represent important frameworks, and the next phase could focus on accelerating from strategic intent to operational implementation.

ACET emphasizes that regional collaboration represents significant opportunity for developing competitive value chains. **Africa produces 23 minerals across 36 countries** – regional approaches could unlock economies of scale, pooled technical expertise, and enable countries to specialize in complementary value chain roles. **Joint green industrialization efforts could leverage natural synergies**: Africa contributes minerals and youthful workforce while Europe provides technology and financing, potentially addressing Europe's labor shortages while creating African opportunities.

From Potential to Production

McKinsey's white paper identifies three operational strategies with strong potential: integrated value chain clustering, selective downstream investment, and enhanced cost competitiveness. Clustering approaches could bring together stakeholders to achieve scale and reduce costs through shared infrastructure.

Several African locations show promising clustering potential: the **DRC-Zambia copper belt could achieve 40-50% energy cost savings**, while a **platinum group metals cluster between South Africa and Zimbabwe could boost refined output by 5-10%**. Additional opportunities exist for tin-tungsten-tantalum between DRC, Rwanda, and Burundi, and iron ore and bauxite in West Africa. Success factors include deposit proximity, complementary ore bodies, stable regulatory environments, community support, and strategic infrastructure investment.

For selective downstream integration, seven evaluation criteria suggest lithium, graphite, copper, and manganese as particularly promising candidates for midstream processing in Africa, considering feedstock supply, market demand, technology access, and governance factors.

Both analyses point toward **significant mutual benefit potential**. Europe could secure more sustainable supply chains for its industrial and energy transition. Africa could realize genuine value addition, job creation, and industrialization. The strategic opportunity is compelling – **the question is implementation**.

RETHINKING FRAMEWORKS

Policy and Financing Models that Work for Both Continents

The Africa Roundtable explored how to **build on substantial existing foundations**. Development cooperation has supported governance capacity-building in many African countries' mineral sectors, providing valuable technical assistance and transparency mechanisms. The next frontier is translating this groundwork into private sector investment at the scale that delivers value addition and industrialization.

Bridging Development Support and Private Investment
European development assistance has strengths in governance improvements, geological surveys, and environmental standards. While development agencies prepare strong foundations, private investors still remain hesitant to proceed. Meanwhile, other approaches demonstrate **more direct pathways from government support to private investment**.

Different models offer insights. Chinese investment, while sometimes criticized for extraction focus, shows how accessible capital without complex processes can accelerate implementation. U.S. engagement increasingly integrates private sector involvement from the outset. Both approaches are pragmatic and transactional, focused on mutual strategic benefit. **The opportunity for Europe is combining its governance strengths with greater commercial directness**.

Participants discussed evolving from public-private partnerships toward private-private arrangements that could enable more direct dialogue between local and international private investors, with development support playing a catalytic rather than intermediary role.

Refining Risk Assessment Approaches
Risk perception significantly influences investment decisions. Current practices could benefit from more granular, project-specific evaluation rather than country-level assessments. This would enable more appropriate calibration of risk premiums to actual conditions rather than broad perceptions.

Encouragingly, development finance institutions and multilateral banks are recalibrating their approaches, showing growing willingness to support mining projects as they have in energy sectors. Political risk insurance, equity insurance, and debt insurance instruments continue expanding. The opportunity is accelerating this evolution through both **improved financial instruments and evolving organizational cultures around risk**.

De-risking could also be more strategically staged across value chains. Rather than junior mining companies absorbing years of high-risk exploration capital, public institutions and development finance could focus their support on exploration and feasibility stages, enabling private investors to participate at production phases where risks are clearer. **Blended finance structures** show promise and could benefit from clearer frameworks and greater deployment.

Enabling Investment Through Infrastructure and New Partnership Models
Critical minerals investment could benefit from parallel investment in enabling infrastructure – transmission lines, transportation networks, water systems, and renewable energy generation. While these foundational investments often lack immediate commercial returns, **strategic use of development finance and public capital could create conditions for subsequent private mining investment**.

Triangular partnerships offer promising potential: Africa's resources and industrialization goals, European technology and de-risking capacity, and Gulf capital and market demand could combine to leverage complementary strengths. Such arrangements could distribute risks while creating multiple sources of financing and markets. The Gulf region also represents a growing market for processed minerals, providing demand certainty that improves project economics.

Financial sector participants noted opportunities for partnerships with local development finance institutions and private sector actors from project inception, with clearly defined roles: development finance for early-stage risk and concessional capital; commercial banks for debt at later stages; equity investors for growth capital; and offtake agreements for revenue certainty.

Regulatory Stability and Decision-Making Speed

Participants from both continents emphasized that **planning security and stable policy environments support investor confidence**. The challenge works in both directions: regulatory frameworks could benefit from greater predictability on both sides. A working group bringing together practical experts could usefully identify specific adjustments to accelerate decision-making while maintaining important standards.

Local content regulations present opportunities to balance domestic benefit with project viability. Regional harmonization through frameworks like the *African Continental Free Trade Area* and continental institutions could reduce complexity while supporting local development.

Germany has built significant engagement in this sector. Stronger coordination among policy instruments – development cooperation, trade finance, investment guarantees, and diplomatic support – could increase effectiveness through more integrated deployment.

The overall opportunity is **evolving partnership frameworks toward models where development objectives are achieved through commercial structures**, enabling genuine risk-sharing, faster decision-making, and better policy alignment between continents.

FINDING ENTRY POINTS

Actionable Pathways for Value Creation

The discussion identified concrete pathways for translating critical minerals cooperation from aspiration to implementation. These entry points acknowledge current realities while creating momentum toward partnerships that deliver value for both continents.

Beyond Extraction: Building the Missing Middle

Significant opportunity exists to develop downstream processing capacity – the smelters, refiners, and manufacturing facilities where jobs and value are created. **Europe and Germany possess relevant competitive advantages**: processing technology, manufacturing expertise, and quality standards that could support African industrialization.

Concrete opportunities exist for co-locating processing infrastructure near mining operations. **European technology partners could establish joint ventures operating smelters and refineries in producing countries.** This approach would reduce transportation costs, create local employment and tax revenues, and provide Europe with processing capacity diversified beyond current concentrations. Several African countries have already made substantial investments in processing capacity and human capital development, creating readiness for such partnerships.

Operationalizing Memoranda of Understanding

Germany and the EU have established valuable memoranda of understanding with DRC, Zambia, South Africa, and Namibia that address critical minerals cooperation. The opportunity now is accelerating from framework to implementation.

Implementation could **shift emphasis from process to outcomes through specific projects for fast-track approval**, dedicated financing beyond pre-existing commitments, joint implementation teams with decision-making authority, and regular review mechanisms with senior participation to address bottlenecks. The DRC process has begun this journey and offers lessons for other partnerships.

Leveraging Germany's New Financing Instruments

Germany's €1 billion commitment through the *Rohstofffonds (Raw Materials Fund)* for critical raw materials represents a significant opportunity. Strategic deployment could focus on areas with highest catalytic potential. Participants emphasized that grant resources could particularly **support geological exploration across Africa**, which receives notably lower global exploration investment than regions like Canada or Australia, systematically de-risking early stages to attract commercial capital.

Better coordination among German instruments could multiply impact through integrated packages: exploration grants, political risk insurance, commercial debt, trade credits – **addressing project needs holistically rather than fragmentarily**.

Making Competitiveness Central

Long-term success depends on **making African minerals and processed materials globally competitive**. This requires systematic attention to cost drivers, particularly energy, as mining and processing are highly energy intensive. Infrastructure investment in transmission lines, renewable generation, and cross-border power trading could significantly improve project economics.

Market dynamics also warrant attention. When below-cost pricing undermines new production investments, responses could include floor prices for strategic minerals, premium offtake agreements, and coordinated approaches among consuming nations. Taking a **more strategic, long-term view similar to approaches that plan on 20–30-year horizons** rather than emergency responses could strengthen partnerships.

Business-to-Business Partnerships at Scale

Evolving toward **business-to-business partnerships on equal footing offers promise**. The pathway forward involves European companies pursuing clear business interests – securing supply chains, accessing growing African markets, positioning for long-term competitiveness – rather than development-focused engagement.

This approach could include developing more granular understanding of specific regions and projects, recognizing that areas within countries characterized broadly as high-risk may offer stable operating environments and attractive returns. **Successful partnerships would invest time understanding local contexts**, building relationships with African counterparts, and structuring deals for genuine mutual benefit.

CLOSING & OUTLOOK

The Africa Roundtable on **New Models for Africa-Europe Critical Mineral Partnerships** highlighted both significant opportunities and implementation challenges in forging partnerships that deliver genuine mutual benefit. The strategic case for collaboration is compelling: Europe seeks secure, sustainable supply chains for its industrial and energy transition, while Africa pursues partnerships that deliver value addition, job creation, and industrialization.

Building on substantial existing foundations, the next phase could emphasize several shifts: from development-driven toward investment-driven models where development objectives are achieved through commercial structures; from country-risk toward project-risk assessment; from bilateral toward regional and triangular partnership geometries; and from extended processes toward pragmatic speed. Partnerships built on commercial logic and mutual self-interest, while maintaining important standards, could deliver greater results.

Key questions for continued exploration include: how to accelerate MOU implementation beyond existing commitments, how to systematically de-risk exploration while attracting commercial capital for development, how to address market dynamics that could undermine diversification efforts, and how to build processing capacity in Africa at competitive costs. These challenges underscore the opportunities for sustained dialogue among diverse stakeholders to develop practical solutions at continental scale.

Global Perspectives Initiative remains committed to fostering this important dialogue on new models for Africa-Europe critical mineral partnerships among key decision-makers across sectors, borders, and continents. *Global Perspectives* will continue exploring how international and development cooperation can evolve to support genuine partnerships that create value for both continents. These continued efforts reflect the understanding that building Africa's future while strengthening Europe's position requires sustained engagement, concrete action, and genuine partnership based on mutual respect and shared prosperity.

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