

# Policy Insights

151

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## Navigating Governance Challenges in African Critical Mineral Supply Chains

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African perspectives  
Global insights

# Executive summary

The ability of the global community to address the threat of climate change depends to a large extent on the collective ability of countries to secure reliable and sustainable supplies of critical minerals. Currently, there is a lack of transparency and accountability in critical mineral supply chains, which not only undermines the mining sector's ability to contribute to sustainable development on the African continent, but also poses a serious threat to the success of the global energy transition. National governments and mining companies must recognise that adopting a proactive approach to managing governance risks is essential to unlocking global critical mineral supplies and diversifying supply chains. In short, the critical mineral supply chains on which the energy transition depends cannot be made truly resilient unless they are also made responsible and sustainable.

## Introduction

The global energy transition is underscored by commitments to two international landmark agreements. The first is the Paris Agreement, adopted in 2015 under the UN Framework Convention on Climate Change. This agreement aims to keep global temperature rise in the 21st century to less than 2°C above pre-industrial levels (ideally no more than 1.5°C). The second agreement is the Sustainable Development Goals, adopted by the UN General Assembly in 2015. This agreement lays out an agenda for eliminating world poverty, protecting the environment and delivering improved social progress by 2030. In response to these agreements, the governments of many countries have committed themselves to reaching net-zero emissions by 2050.

As countries work towards these goals, the accelerated adoption of renewable energy technologies is predicted to increase demand for a group of resources known as 'critical minerals'. Critical minerals include copper, nickel, graphite, cobalt, lithium and rare earth elements. In its [Net Zero Emissions by 2050](#) scenario, the International Energy Agency has predicted that the accelerated deployment and uptake of renewable energy technologies will translate into an approximately fourfold increase in the demand for critical minerals by 2030.<sup>1</sup> This is because many of the components required to produce renewable energy technologies, such as solar panels or electric vehicle batteries, require greater inputs of minerals and metals than existing fossil-fuel-based technologies. For this reason, the ability of the global community to address the threat of climate change depends to a large degree on the collective ability of countries to secure reliable and sustainable supplies of critical minerals.

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<sup>1</sup> International Energy Agency, *Sustainable and Responsible Critical Mineral Supply Chains: Guidance for Policymakers*, (Paris: IEA, 2023).

## Sourcing critical minerals is a challenge at the heart of the energy transition

Due to the mineral-intensive nature of renewable energy technologies, much more mining will be required than is currently in the project pipeline. Apart from opening new mines, countries can also take other policy steps to ensure a secure and reliable source of critical minerals, including increasing production from existing sites, stockpiling, recycling and diversifying supply chain sources. The sheer magnitude of supply needed to support the energy transition will necessitate more mining than is currently underway. The extent of the prospective demand for critical minerals, means that new investments will increasingly flow into high-risk areas.<sup>2</sup> Securing the requisite supply of critical minerals cannot be made solely contingent upon increased investments in established, low-risk mining jurisdictions. This challenge is compounded by the fact that significant critical mineral reserves are found in countries with poor governance and environmental protection records.<sup>3</sup> There is an urgent need to focus on improving governance and sustainable development outcomes in mineral supply chains.

### The growing demand for critical minerals poses new challenges and opportunities

Many of the minerals needed for the energy transition are found on the African continent. The extraction and processing of these minerals could act as a potential catalyst for socio-economic development. However, if these developmental benefits are to be realised, African countries will have to work with stakeholders to ensure that responsible and sustainable governance practices are implemented across different stages of the supply chain. This will be a challenging task, as the extraction of many of these critical minerals in Africa is already plagued with corruption and a host of related governance challenges.<sup>4</sup> For example, a recent investigation by international non-governmental organisation Global Witness found that newly identified lithium mines in Zimbabwe, Namibia and the Democratic Republic of Congo are at serious risk of human rights violations, transnational corruption and environmental degradation.<sup>5</sup> These findings are but one tangible example of how the growing demand for critical minerals on the African continent, instead of delivering on the promise of a just energy transition, risks unleashing new forces of environmental and socio-economic harm. In the absence of improved mineral governance, there is a real danger that the energy transition will occur at the expense of citizens in mineral-rich developing countries, including those in Africa.

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2 Organisation for Economic Cooperation and Development, *Responsible is Reliable: How Responsible Sourcing Can Address Disruption Factors and Geopolitical Risks in the Supply of Transition Minerals*, (Paris: OECD, 2023).

3 Clare Church and Alec Crawford, *Green Conflict Minerals: The Fuels of Conflict in the Transition to a Low-Carbon Economy* (Winnipeg: International Institute for Sustainable Development, 2018).

4 Publish What You Pay, *Recommendations for a Common African Vision on Transition Minerals* (London: PWYP, 2023).

5 Global Witness, *A New Rush for Lithium in Africa Risks Fuelling Corruption and Failing Citizens* (London: Global Witness, 2023).

The energy transition is a window of opportunity for mineral-rich African countries to promote the integration of their mineral sectors into global supply chains and improve their resource governance performance record.<sup>6</sup> Apart from a few exceptional cases, the role of African countries in global mineral supply chains has historically been limited to the export of unprocessed minerals. African countries have mostly failed to take full advantage of previous commodity booms to move up mineral value chains.<sup>7</sup> To address this situation, several African states are already working together with the African Minerals Development Centre, the African Development Bank and other partners to develop an African Green Minerals Strategy.<sup>8</sup> However, if things are to be different in this latest commodity boom, African countries will have to improve the governance shortcomings of the mining sector. Addressing these governance failings is a non-negotiable prerequisite to fostering the kinds of responsible supply chains that will allow African countries to fully realise the socio-economic benefits of the energy transition. For example, mitigating corruption in mineral supply chains helps to ensure that mining investments flow into surrounding communities, jobs are created, human rights are respected and communities can build relationships of trust and support with mining companies.<sup>9</sup>

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## Improving mining governance is crucial for Africa and the global energy transition

Mining companies and national governments are faced with the challenge of having to rapidly increase supplies of critical minerals while simultaneously having to improve the reliability of the operations and supply chains that make these supplies possible.<sup>10</sup> Improved mining governance has an important role to play in reducing corruption risks, facilitating investment and improving public confidence in the mining sector.<sup>11</sup> The

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6 Melanie Müller, 'The "New Geopolitics" of Mineral Supply Chains: A Window of Opportunity for African Countries,' *South African Journal of International Affairs* 30, no. 2 (2023): 177–203, <https://doi.org/10.1080/10220461.2023.2226108>.

7 James Cust and Albert Zeufack, *Africa's Resource Future: Harnessing Natural Resources for Economic Transformation During the Low-Carbon Transition* (Washington DC: World Bank, 2023), <https://doi.org/10.1596/978-1-4648-1743-4>.

8 African Development Bank, *Approach Paper Towards the Preparation of an African Green Minerals Strategy*, (Addis Ababa: AfDB, 2022).

9 IEA, *Critical Minerals Market Review*.

10 Organisation for Economic Cooperation and Development, 'More Mining? More Due Diligence. Dealing with the Clean Energy Paradox', <https://oecdonthellevelcom.wordpress.com/2022/04/22/more-mining-more-due-diligence-dealing-with-the-clean-energy-paradox/>.

11 Extractives Industries Transparency Initiative, *Mission Critical: Strengthening Governance of Mineral Value Chains for the Energy Transition* (Oslo: EITI, 2022).

primary reason to address the governance risks associated with mineral supply chains in Africa is to protect the people, communities and environments where these extraction and refining projects operate. Conversely, if the funds set aside to support and develop local African communities are captured by corrupt actors, new and existing mining projects are likely to face serious opposition from host communities. In response to these challenges, mining companies must demonstrate concrete efforts to mitigate the adverse impacts of critical mineral mining if they are to establish a legitimate social licence to operate.<sup>12</sup> In other words, there is also a strong business rationale for mining companies to pursue improved governance outcomes as a means to maintaining their social licence to operate in African countries. Without inclusive and transparent regulation of Africa's critical minerals wealth, it is likely that the increased demand for critical minerals will not benefit the wider African population, but rather entrench pre-existing global inequalities.<sup>13</sup>

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## Addressing tensions between supply security and development objectives

The significant volume of critical minerals needed for the energy transition makes it neither possible nor desirable to simply disengage from investing in regions perceived to be high-risk by international investors.<sup>14</sup> Rather, national governments and mining companies must recognise that adopting a responsible approach that manages these governance risks is crucial to unlocking global supplies and leveraging mineral wealth for development. A growing recognition of this reality has prompted governments, mining companies and civil society organisations to develop a wide variety of initiatives and frameworks aimed at addressing urgent environmental, social and corruption risks in critical mineral supply chains.<sup>15</sup> When it comes to initiatives of this kind, the chief concern for many developed countries is security of supply, whereas most African countries are focused on using their mineral wealth to move up the renewable energy supply chain. It is therefore important to recognise the tension between this difference in emphasis when it comes to supply chain governance, as these respective objectives are not

12 Helen Clarke, 'Does the potential for corruption in the mining sector threaten a just energy transition?', World Economic Forum (WEF, 2023), <https://www.weforum.org/agenda/2023/04/corruption-in-the-mining-sector-threatens-a-just-energy-transition/>.

13 Chantelle Moyo, *Towards Inclusive and Transparent Environmental Governance for Critical Minerals and Metals in Africa* (Perspectives Issue No. 47, UN Environment Programme, 2024).

14 OECD, *Responsible is Reliable*.

15 International Renewable Energy Agency, *Geopolitics of the Energy Transition: Critical Minerals* (Abu Dhabi: IRENA, 2023).

necessarily reconcilable.<sup>16</sup> This tension is seen in many supply chain governance initiatives that tend to focus on issues of responsible production and supply security rather than issues of environmental protection or local community development.

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While different supply chain initiatives exist in different forms based on sector or scope, they tend to share a combination of objectives and overlap in their areas of applicability. That being said, the major supply chain governance initiatives exist somewhere along a spectrum as public sector reform initiatives aimed at reducing corruption in public administrations; social accountability activities aimed at increasing public participation in corruption monitoring; multi-stakeholder initiatives that foster collaboration between different stakeholders to address corruption; and corporate traceability schemes which detail the steps companies are taking to eliminate corruption in their supply chains.<sup>17</sup> There are also various categories of international law that are relevant to the mining sector, including international investment treaties, international human rights law and environmental conventions and treaties. Despite a proliferation of national, regional and sector-led initiatives seeking to address the various challenges associated with critical mineral supply chains, there is still no overarching international framework that aims to coordinate policy action.<sup>18</sup> In addition, many of these initiatives vary in terms of the actors or scope covered, which results in a plethora of standards that can be overwhelming for stakeholders.<sup>19</sup> Apart from fostering harmonisation across different initiatives, there is also a pressing need to conduct more in-depth research into the risks posed by these mineral supply chains and to capacitate the actors and agencies tasked with addressing these risks.<sup>20</sup>

As part of efforts to address this international coordination gap, the UN Secretary-General has appointed a new 38-member panel on Critical Energy Transition Minerals co-chaired by South Africa and the European Union. The panel will build on existing initiatives and partnerships in the UN to develop a common and voluntary set of principles aimed at

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16 Elias Ayuk, Atonio Pedro and Paul Ekins, *Mineral Resource Governance in the 21st Century: Gearing Extractives Towards Sustainable Development* (Nairobi: UN Environment Programme, 2019).

17 Achiba Gargule, 'Natural Resource Commodity Supply Chains: Lessons from Existing Anti-Corruption Measures' (U4 Issue 2023: 5, CHR Michelsen Institute, 2023).

18 IRENA, *Geopolitics of the Energy Transition*.

19 United States Agency for International Development, *Mining and the Green Energy Transition: Review of International Development Challenges and Opportunities* (Washington DC: USAID, 2021).

20 OECD, *Responsible is Reliable*.

guiding extractive industries in the energy transition.<sup>21</sup> More recently, UN member states were tasked with addressing the challenges associated with the accelerating global demand for critical minerals at the Sixth Session of the UN Environment Assembly (UNEA-6) in Nairobi. Unfortunately, the session was characterised by disagreements and procedural obstacles, which meant that little progress was made towards improved governance in the extractive sector.<sup>22</sup> While international initiatives are playing a growing role in improving governance in the mining sector, most regulation of mining activities depends on national frameworks and policies. Unfortunately, many countries with significant mineral reserves lack both the will and the capacity to govern mines effectively. Moreover, even where international best practice has been enshrined into national law and regulation, effective implementation continues to be a challenge.

## Policy recommendations for stakeholders in the mining sector

Since the African Union (AU) adopted the African Mining Vision (AMV) in 2009, the AMV has acted as a framework to provide policy coherence for the sustainable development of Africa's natural resources.<sup>23</sup> Despite the AMV being a non-binding framework, most mining codes and sector policies refer to the AMV, and AU member states are encouraged to adopt it into national law and policies. In addition, in 2017 the African Minerals Governance Framework was designed to act as a monitoring and accountability tool for the implementation of the AMV.<sup>24</sup> While the AMV has undoubtedly achieved a degree of impact, the implementation of the AMV remains slow, there is a general lack of awareness of the AMV among stakeholders and there is insufficient understanding of the shortcomings of the AMV.<sup>25</sup> AU member states, private sector actors and civil society can act as key enablers of the AMV by driving the policy's uptake and influence. Across the board, all stakeholders involved in the extractive sector in Africa must use existing policy frameworks as building blocks to help identify and manage the risks posed by critical mineral supply chains.

AU member states should focus on expediting the national implementation of the AMV to ensure that such operationalisation includes the voices of all affected stakeholders throughout the policy process. Furthermore, it is important to consider governance risks when devising national strategies for the development of the critical minerals sector. For example, this could include policy steps around increasing transparency by

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21 UN, 'UN Secretary-General Appoints Panel on Critical Energy Transition Minerals,' press release no. SG/A/2286, April 26, 2024, <https://press.un.org/en/2024/sga2286.doc.htm>.

22 Jodi-Ann Wang, 'Managing the Environmental Risks of Minerals and Metals Mining in the Low-Carbon Transition: Updates from UNEA-6', <https://www.lse.ac.uk/granthaminstitute/news/managing-the-environmental-risks-of-minerals-and-metals-mining-in-the-low-carbon-transition-updates-from-unea-6/>.

23 African Union, *African Mining Vision* (Addis Ababa: AU, 2009).

24 UN Economic Commission for Africa, *African Mining Vision: African Minerals Governance Framework* (Addis Ababa: UNECA, 2017).

25 Vanessa Ushie, "From Aspiration to Reality: Unpacking the African Mining Vision" (Briefing Paper, Oxfam, 2017).

supporting open mining cadastres and other regulatory platforms that make important information available to the public, such as information about licencing and beneficial ownership. This is just one example of the kinds of policy reform necessary to improve the accountability of those government agencies or departments tasked with natural resource management. Because persistent implementation gaps are a major hurdle to these types of reform, governments must develop plans to improve implementation and the monitoring of ongoing reforms. This can include measures such as allocating sufficient human capital to reform processes and putting forward clear implementation responsibilities and deadlines.

**Across the board, all stakeholders involved in the extractive sector in Africa must use existing policy frameworks as building blocks to help identify and manage the risks posed by critical mineral supply chains**

With regard to actors in the private sector, it is essential to continuously update corporate policies to ensure they reflect the latest best practice in mineral governance and supply chain due diligence. For example, private sector companies operating in the African minerals sector should aim to integrate the provisions of the AMV on corporate accountability, human rights and environmental protection. From a supply chain perspective, one noteworthy example of such an initiative is the Organisation for Economic Cooperation and Development's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.<sup>26</sup> Furthermore, it is important for mining companies to continuously engage in multi-stakeholder initiatives and partner with industry organisations to advance transparency and good governance in the mining sector. Examples of organisations of this kind include the Extractive Industries Transparency Initiative and International Council on Mining and Metals. Mining companies must also continue to leverage advances in information technologies, such as artificial intelligence and blockchain, to improve supply chain transparency and accountability.

From a civil society perspective, it is crucial for civil society organisations to play a role in holding governments and mining companies accountable for their actions by monitoring and reporting on governance shortcomings or abuses of power. Part of this role includes defending the rights of activists, journalists, researchers and whistle-blowers who are crucial to improving accountability in the sector, but who often face resource constraints and threats to their safety and livelihood. In regard to the AMV, civil society should

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26 OECD, 'OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas', OECD Guidelines for Multinational Enterprises, <https://www.oecd.org/corporate/mne/mining.htm>.



actively engage in policy advocacy and research to help raise awareness of the AMV and ensure that the interests of mining-affected communities are protected. In addition, it is important for civil society organisations to support local African communities by providing them with the tools necessary to engage in meaningful consultation with the wider policy process. Finally, civil society organisations can also foster transparency and accountability by improving the mapping of critical mineral supply chains on the African continent.

## Conclusion

The growing global demand for critical minerals provides a window of opportunity for African countries to leverage their mineral resources to develop and decarbonise their economies. However, if these developmental benefits are to be realised, African countries will have to work with stakeholders to ensure that responsible and sustainable governance practices are implemented across different stages of the supply chain. In the absence of serious critical mineral supply chain reform, there is a real danger that the global energy transition will occur at the expense of citizens and the environment in mineral-rich African countries. Addressing the governance risks associated with these mineral supply chains is essential to developing the kinds of responsible supply chains that will allow African countries to develop their economies. All stakeholders must partner to foster harmonisation across existing governance initiatives, conduct more in-depth research into the risks posed by critical mineral supply chains and capacitate the actors tasked with governing these risks. National governments must incorporate safeguards into national strategies for the development of the critical minerals sector. They must support the reforms necessary to improve the oversight capacity of departments tasked with natural resource management. Mining and other private sector companies must actively engage in multi-stakeholder initiatives and regularly update corporate policies to reflect the latest international best practice in supply chain due diligence, while civil society has an essential role to play in mapping and monitoring critical mineral supply chains and equipping local communities with the tools necessary to engage in meaningful consultation with the mining sector. Without inclusive and transparent management of Africa's critical mineral wealth, it is likely that the increased demand for critical minerals will not benefit the wider African population, but rather entrench pre-existing global inequalities.

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