

## **Building a regional battery mineral value chain in Africa**

### **Side event to the ninth session of the Africa Regional Forum on Sustainable Development**

#### **Concept note**

#### **I. Context**

1. Africa is among the most naturally endowed regions of the world, with extensive mineral, fossil fuel, agricultural and renewable energy resources. According to the African Development Bank, the continent is home to about 30 per cent of global mineral reserves and a significant share of the worldwide production of economically important minerals and metals. Such reserves account for an average of 70 per cent of total African exports and about 28 per cent of aggregate gross domestic product. The African Development Bank estimates that African extractive resources, if well harnessed, could contribute at least \$30 billion each year to government revenue for the next 20 years.<sup>1</sup>

2. The beneficiation of mineral resources has been embraced as a route to industrialization by many Governments and international organizations, including the African Union. Few African Governments, however, have so far managed to use their mineral reserves to boost comprehensive industrialization. There is a broad consensus that mineral wealth ought to be better managed by Governments in a manner that will spur a rapid transformation of their economies.

3. The consensus is reflected in the 2009 Africa Mining Vision, in which countries committed to enhancing downstream industries, based on increased local beneficiation and addition of value to goods, and upstream value-addition, by using the resource-sector market to develop higher value inputs, such as capital goods, consumables and services. The Vision is part of a broader effort to move away from the existing methods of extraction and export of raw minerals.

4. The current green transition and green minerals boom present even clearer opportunities to make the Vision a reality. The global transition towards green energy and rapid decarbonization has spurred demand for electric vehicles and investment in battery-powered storage systems, for which lithium-ion batteries are a critical component. As the average electric vehicle lithium-ion battery contains 10 kg of cobalt, 20 kg of copper and 30 kg of nickel, among many other mineral inputs, Africa has a key role to play as a supplier of a number of those minerals: the Democratic Republic of the Congo and Zambia, for example, jointly account for over 70 per cent of global cobalt and 10 per cent of global copper production.

5. During the edition of the Africa Business Forum that was held in Kinshasa on 24 and 25 November 2021, a representative of BloombergNEF introduced a study that showed that the Democratic Republic of the Congo could leverage its cobalt reserves to become a cost- and emissions- competitive producer of battery cathode precursor materials. The study also showed

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<sup>1</sup> African Development Bank, *African Natural Resources Centre Strategy (2015–2020): Revised Version* (June 2015). Available at [www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/African\\_Natural\\_Resources\\_Center%E2%80%99s\\_Strategy\\_for\\_2015-2020.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/African_Natural_Resources_Center%E2%80%99s_Strategy_for_2015-2020.pdf).



that the capital cost in the Democratic Republic of the Congo was lower than in all other main battery precursor producer countries, owing to lower project development costs, even after infrastructure, labour and other costs were taken into account.

6. The Economic Commission for Africa, the African Export-Import Bank and a consortium of partners are working directly with the Democratic Republic of the Congo and Zambia to develop a battery mineral value chain within the two countries, which have the will and determination to harness their mineral endowments and the green transition to further their industrialization ambitions, which, in turn, will present clear opportunities within their borders and across the continent. Such an initiative will benefit from the implementation of the Agreement Establishing the African Continental Free Trade Area, which, once fully implemented, will create a single African market that is home to approximately 1.2 billion people and a combined gross domestic product of over \$2.5 trillion.

## **II. Objectives**

7. The event is aimed at presenting to the wider audience of the Africa Regional Forum on Sustainable Development the specifics of the lithium-ion battery initiative, its targets, its achievements thus far and the challenges that have been encountered. These aspects are central to the collective deliberations on sustainable development, and the side event will bring together the inputs and voices of participants from across the Regional Forum, including their comments, advice and new perspectives, which will strengthen the initiative.

8. The assembly at the Regional Forum of leaders in sustainability, natural resources and finance provides an excellent context for the side event, which will highlight the role of Africa and minerals in the global green transition and the opportunities the transition presents for the economic transformation of the continent. While the lithium-ion battery initiative is relevant to all the Sustainable Development Goals and targets of Agenda 2063: The Africa We Want, of the African Union, of the Goals that are the subject of an in-depth review at the Regional Forum, it is particularly relevant to Goals 7, 9 and 11.

## **III. Organizing institutions**

### **A. African Export-Import Bank**

9. The African Export-Import Bank is a pan-African multilateral financial institution that has been mandated to finance and promote intra- and extra-African trade. The Bank deploys innovative mechanisms to deliver financing solutions that support the structural transformation of African trade and accelerate industrialization and intra-regional trade, thereby boosting economic expansion in Africa. At the end of 2021, the total assets and guarantees of the Bank stood at approximately \$25 billion and its shareholder funds amounted to \$4 billion. It disbursed more than \$51 billion between 2016 and 2021 and has been rated “A” by Global Credit Rating, “Baa1” by Moody’s, “A-” by the Japan Credit Rating Agency and “BBB” by Fitch. Its headquarters are in Cairo.

## **B. Economic Commission for Africa**

10. The Economic Commission for Africa is the oldest of the five regional commissions of the United Nations, holding the mandate to promote the economic and social development of its 54 African member States, foster intra-regional integration and promote international cooperation for the development of the continent. Its mission is to deliver ideas and actions for an empowered and transformed Africa, informed by the 2030 Agenda and Agenda 2063. The Commission is guided by five strategic aims: the promotion of the Commission as a premier knowledge institution; the development of macroeconomic and structural policy options to accelerate economic diversification; the design and implementation of innovative financing models; the contribution of solutions to regional and transboundary challenges; and the advocacy of the African position at the global level.

## IV. Tentative programme

**Sunday, 26 February 2023**

**11:30 a.m.–1 p.m. (Niamey-time)**

**Palais de Congres, Salle de Commission 1**

Moderator: Professor, University of Zambia, Jewette Masinja

<b>Time</b>	<b>Session</b>	<b>Speakers</b>
11.30–11.50 a.m.	Opening remarks	Acting Executive Secretary, Economic Commission for Africa (ECA), Antonio Pedro Director of Export Development, African Export-Import Bank, Oluranti Doherty Minister of Industry, Democratic Republic of the Congo, Julien Paluku
11.50 a.m. –12.05 p.m.	Presentation on the battery mineral value chain initiative	Acting Director, Subregional Office for Central Africa, ECA, Jean-Luc Mastaki
12.05–12.25 p.m.	Discussion of the initiative from various perspectives	Senior Manager, African Export-Import Bank, Gainmore Zanamwe; TBD, Zambia; Professor, University of Lubumbashi, Democratic Republic of the Congo, Jean-Marie Kanda; Interim Director, African Minerals Development Centre, Marit Kitaw; Vice-Rector, Abdou Moumouni University, Rabani Adamou
12.25–12.50 p.m.	Open discussion	Audience
12.50–1 p.m.	Wrap-up and closing remarks	Acting Director, Subregional Office for Central Africa Office, ECA, Jean-Luc Mastaki