

Africa Programme
Communiqué

Securing Africa's future

Advancing transparent and just mining governance for development

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Chatham House and UNDP Africa convened a meeting in Johannesburg, South Africa on August 6, 2025, focused on advancing transparent and just critical minerals for development in Africa.

The discussion was timely, as mining jurisdictions across the continent are reviewing their mineral codes and legislations governing the sector, and are developing strategies to maximise value from their critical minerals deposits.

The mining sector can play a vital role in driving economic growth and development; however, it can also be a source of negative social and environmental outcomes. National policy frameworks and institutions are key factors for determining positive impacts from mining. Expectations on the sector to deliver beneficial outcomes have been heightened in the wake of diminishing expenditure on aid development programmes.

The discussion focused on requisite policy shifts, industrial development, the role of mining in job creation and poverty reduction, including geological data management, beneficiation, and the need for integrated systems to enhance transparency and accountability in the mining sector.

Suggestions and recommendations included:

Effective governance of natural resources is a sustainable form for domestic resource mobilisation

Clear and transparent regulatory and institutional environments are the first steps to start a journey with private operators who are competing for capital against other international mining regions. This should include transparent and competitive bidding processes with clawback clauses for royalty rates when commodity prices exceed certain levels. As part of this, there is a need to establish predictable and competitive fiscal regimes with stable taxation and royalty systems. In addition, responsible performance of private operators requires independent, well-resourced, and technically competent regulatory bodies for the mining sector.

A key factor for securing investment is giving operators secure and predictable tenure in mining codes with objective criteria for license grants. In addition, there is scope for regional mining tribunals under Minerals Commissions to reduce court cases through alternative dispute resolution.

There is a need for African countries to implement open, online mining cadastral systems with clear data governance policies. Towards this objective, it is important to support shared learning on overcoming challenges on creating cadastral systems, and implement digital systems that link cadastres with tax authorities and company registration systems to improve transparency. Beneficial ownership disclosures would also help improve transparency.

Data collection, storage and ownership are vital part of critical mineral governance, and have become more significant in recent years with advances in

technology and the digitisation of the industry. Some governments are investing in geological data acquisition and mapping programs to strengthen their positions at negotiation tables, and there is scope for replicating this in other locations.

Investments in machine learning and AI for geological data analysis to gain a competitive commercial edge must be matched by advances in data governance. It was argued that there is space for greater research and development mechanisms to integrate geological data into financial and fiscal models to adjust royalty rates, tax structures, and investment terms.

Industrialisation and critical minerals are mutually reinforcing but requires bold long-term investments

There is a need to better utilise the revenues from critical minerals including capturing more value from natural resources in addition to ambitions for new industrial development along the value chain. It was argued that there is a need to invest resource revenues into industrial policies that support infrastructure development to support the industry, as well as into manufacturing and other activities that complement the sector or that can use mining activities as a driver of broader economic growth. Government and the private sector build trust through constant open dialogues on the requirements for investment, and opportunities for shared investment in mineral processing infrastructure, while avoiding the pitfalls of subsidising activities that are otherwise not economically viable.

Africa has been impacted by asymmetries in bargaining power around contract negotiation. There is a need to better negotiate contracts to capture more revenue from mineral resources for reinvestment in industrialization, and there are international organisations such as the Connex support unit that have been created to assist on this.

A regional discussion is required concerning cooperation, collaboration and competitive advantage on the location of value addition, and subsequent mechanisms for benefit sharing, economic diversification and supply chain development at national, sub-regional and continental levels.

More research is needed on the role of the state, in particular state-owned entities, on how they can both support the industry as well as create value for governments. Interdepartmental collaboration is required for a 'whole of government' approach to sectoral governance, as well as to ensure public funds are properly accounted for.

Critical minerals and development

Regional cooperation and discussion on critical minerals can include the implementation of international rigorous environmental and social standards with effective community consultation mechanisms, as well as the development of Afro-centric standards that are tailored to the specific needs of the continent.

In particular, governments should implement the UN Guiding Principles on Critical Energy Transition Minerals, and the UN Guiding Principles on Business and Human Rights.

The development of principles and standards could include mechanisms for free, prior, and informed consent from communities affected by mining activities; and greater requirements for parliamentary oversight of the negotiation and implementation of mining agreements. Mechanisms that include periodic review clauses in mining contracts (by analyzing previous contracts and identifying improvements) could support accountability of the sector. But they must be created in ways that limit political discretion or exacerbate uncertainty.

Governments should align extractive processes with national development plans, industrialization policies, and regional integration frameworks like AfCFTA. This would include investment in R&D and skills development for downstream industries; and policies that create domestic demand for locally processed minerals and products.

