



MADI

Minerals Africa Development
Institution

MADI AFRICA

Times

Newsletter

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FOCUS: AFRICA'S MINERAL RESOURCES & A GREEN FUTURE

COMING SOON!!!

ANNOUNCING THE

MADI-AY4DI EVENT

Minerals Africa Development Institution is proud to present the first-ever

**AFRICA YOUTH FOR DEVELOPMENT &
INDUSTRY SYMPOSIUM 2022 (AY4DI)**

THEME: CREATING JOBS IN AFRICA FOR AFRICANS

VENUE: The Royal Livingstone Victoria Falls Hotel, ZAMBIA

DATE: 1st to 3rd JUNE 2022

For those interested in registration, visit:

www.ay4di.com

www.madi.africa

THE ROLE OF EXTRACTIVES IN AFRICA'S INCLUSIVE GREEN AND RESILIENT RECOVERY

By Dasy Mukarakate



Source: Africa Renewal

Climate change presents yet another stumbling block to achieving development outcomes as floods, droughts, cyclones, and other natural hazards continue to ravage Africa, reversing the gains made over decades.

For Africa that is already reeling in poverty, debt, crumbling health systems and a myriad of other problems, recovery from the dual crises of COVID-19 and climate change will prove to be an insurmountable task.

As is the case for Africa, industrialization, increased urbanization, and population growth are driving a sustained demand for minerals, metals and coal globally. According to the UN, the number of people living in cities will increase from 4.2 billion currently to 7.3 billion by the end of the century. It is projected that Africa will have the world's fastest urbanization rate by 2050, but perhaps the greatest demand for minerals is now driven by the quest for a green recovery. As we reboot our economies shattered by the pandemic it is important to adopt an economic development model that lessens environmental,

climate and disaster risks and one where social and economic benefits trickle down to those at the bottom of the pyramid, the so called "inclusive, green and resilient recovery".

At the core of a green recovery is the clean energy transition to drive economies, which involves uptake of technologies that reduce emissions such as wind and solar energy and less of fossil fuel-based technologies such as those derived from coal.

If not well managed, the 'transitioning out' of sectors of the economy such as coal could lead to massive losses of jobs and livelihoods for millions of workers and communities in fossil fuel- rich African countries already experiencing poverty and inequality such as South Africa, Mozambique, Nigeria, Angola, Chad, and Gabon, hence the notion of a justice transition. It can also put a damper on the excitement of new discoveries of fossil fuels in countries like Uganda, and Mozambique, hence dashing their hopes for long term economic prosperity. This could potentially leave such countries with a puzzle of dealing with stranded workers, communities and assets.



• Minerals Largely Ignored

Whilst clean energy and decarbonizing international investment and finance seem to be dominating the development discourse, what is less hyped about is the minerals, including rare earth minerals, metals and construction materials needed for this to happen.

A new World Bank Group report (2020) reveals that the production of minerals such as graphite, lithium and cobalt, could increase by nearly 500% by 2050 to meet the growing demand for clean energy technologies.

It is estimated that over 3 billion tons of minerals and metals will be needed to deploy wind, solar and geothermal power, as well as energy storage, required for achieving a below 2°C future. The mineral intensity is such that even if the recycling rate for copper and aluminium is 100%, recycling and reuse will still not meet the steep demand.

Surprisingly, key African policy frameworks and programmes such as the Agenda 2063, Africa Continental Free Trade Area (AfCFTA), Africa Mining Vision and the more recent Africa Green Stimulus Programme (2021) are silent on the linkages between minerals, climate action and green recovery.

However, like any other mining or developmental activity, the minerals driving the clean energy transition come with social and environmental costs and paradoxically have their own carbon footprint, from extraction to end use. Land-based mining is moving into more remote, ecologically and biodiversity-sensitive areas such as wildlife areas and can cause deforestation, relocation of local communities, creation of mountains of often toxic waste and pollution of freshwater ecosystems. It will prove to be an insurmountable task.

• Minerals for Climate Action

African countries are richly endowed with these 'minerals for climate action'.

About 70 per cent of the world's cobalt – used for batteries in mobile phones to electric cars - comes from the Democratic Republic of the Congo (DRC), and a significant percentage from Madagascar. Countries such as Zimbabwe and Namibia have among the largest reserves of lithium globally.

• Digital Green Solutions

More sophisticated digital green solutions such as the use of robots for COVID-19 recovery and drones for delivery of medication adopted by Rwanda should demonstrate to other African countries that it is doable in a Least Developed Country context if there is sufficient political will.

Challenges that inhibit transformative and scalable social and economic gains from the extractive sector as stated in the Africa Mining Vision must still be addressed.

These include large infrastructural deficits which constrain the movement of goods and services; weak local markets for mineral products which reflect the overall low level of Africa's industrialization; technological deficiencies; low levels of research and development; and the large skill gaps existing in the continent

The clean energy transition should adhere to international standards for labour, health, safety, and human rights, particularly the rights of the child and women and social protection of vulnerable groups. The transition should also harness Africa's youth dividend, considering the high rates of youth unemployment on the continent which creates fertile ground for violent extremism, civil conflict, and other social ills.



MADI - AMDC WORKSHOP [EABF 7TH EU AFRICA BUSINESS FORUM 2022]

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AMDC
Africa Minerals Development Centre

18th Feb 2022
15:15Hrs-16:00Hrs CET

MADI & AMDC Workshop

It is twelve years since African Union Heads of State and Government adopted the Africa Mining Vision (AMV). In the Vision, the continent's considerable mineral endowments were recognized as a key driver for structural transformation, industrialization and sustainable growth. Africa has green minerals in large deposits which are critical in the production of renewable energy technologies including solar and power batteries. Africa can capitalize on this advantage to create economic growth and jobs within the continent.

Speakers

Mr. Frank Mugenyi - Coordinator of African Minerals Development Centre (AMDC) and Executive Chairman of Minerals Africa Development Institute (MADI)

Mr. Jean-Claude GILLANEAU - Relations Internationales / International Institutional Affairs - BRGM

Dr. Claude Kobemba - Executive Director - Sustainable Resource Watch (SARW)

Mr. Lucius Pakoua - UNEP Regional Service Centre for Africa, Addis Ababa

Mr. Samuel Agbow Tobi - President Central African Association of Chamber of Mines and MADI Board member

Mr. Michael Kiberu - CEO, BIT2BIG Ltd

Moderator: Mr. Les Brown Okalebo - Head of Programmes and Marketing - Minerals Africa Development Institution - MADI

<https://www.eu4africa-businessforum.com/en>

BRGM - Geoscience for a sustainable Earth

EuroGeoSURVEYS - The Geological Survey of Europe

BIT2BIG

African Union

7th EABF EU-AFRICA BUSINESS FORUM 2022

MADI was proud to be a part of the EABF 7th EU Africa Business Forum 2022.

MADI in collaboration with Africa Minerals Development Centre having noted that it has been twelve years since the African Union Heads of State and Government adopted the Africa Mining Vision (AMV) organised a virtual workshop centred on a green future backed by Africa's mineral resource sector. In the AMV, the continent's considerable mineral endowments were recognised as a key driver for structural transformation, industrialisation and sustainable growth. Africa has green minerals in large deposits which are critical in the production of renewable energy technologies including solar and power batteries

Africa can capitalize on this advantage to create economic growth and jobs within the continent. MADI was proud to be a part of the EABF 7th EU Africa Business Forum 2022.

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ANNOUNCING OUR NEW CHIEF EXECUTIVE OFFICER



It is with great honor that MADI announces our new Chief Executive Officer, Ms. Judith Karangi.

Ms. Judith Karangi is a technical Committee Representative for Africa Women in Mining (AWIMA), Judith is a G100 Tanzania Country Chair for Sustainable Mining (ESG). She is among the African Union Experts who are helping formulating the guidelines for continental Artisanal and Small Scale Mining Strategy and reviewing of mining model law. With over 16 years of success for both non - profit and Private sector experience in achieving positive results mainly as Executive Director for Tanzania Chamber of Commerce, Industry and Agriculture, AngloGold Ashanti (ASM Management Coordinator), World Vision Tanzania (Project Coordinator & Regional Training Officer), JEMA Africa (General Manager) as well as founder of NATE VISION & CO. LTD

Her Background Includes capacity building and developing innovative ideas to improve livelihoods in the communities. Judith is certified Corporate Social Responsibility expert in London School, credited with impacts to the community social welfare. She is also a Ford Foundation Fellow an awardee of a Masters scholarship to Antioch University New England, USA.

Judith is recognized by stakeholders by a strategic project management mind and a track record of fortifying current and long-term organizational goals as well as providing strategic direction and sound management ensuring optimal implementation. Working closely with management teams and clients, she provides a positive approach to Sustainable and Transparent Leadership, Community Building, Conflict Resolution and Strategic Business Development.

We at MADI are pleased to have her capable hands on board in this new capacity.

INTERESTING READS

SOURCING MINERALS FOR AFRICA'S ENERGY TRANSITION

By **MATTHEW GOOSEN**

Africa represents the second-largest mineral industry in the world, with many countries from the continent relying on mineral exploration and production to stimulate economic growth. Richly endowed with massive mineral reserves and ranking first in the quantity of several various mineral-types, the mineral industry contributes greatly towards Africa's gross income.

The global energy transition is shaping the mining industry, as priorities for an energy shift towards electric vehicle production, battery storage, and other green energy technologies, thus provoking a reduction in the world's demand for fossil fuels. While nearly 50% of sub-Saharan Africa's export value derives from the development and trade of fossil fuels, the continent is poised to prosper from its mineral energy resources such as nickel, copper, and cobalt. Minerals serve as essential components in many of the world's fastest growing green energy technologies, with demand for these minerals expected to grow exponentially in the coming decades.

Therefore, sub-Saharan Africa has a comparative advantage as the world begins its transition to clean energy sources, and as renewable technologies become cheaper and more readily available, there is indication that Africa will benefit exponentially from its mineral energy materials, particularly for countries with abundant sources of copper and nickel, such as the Democratic Republic of the Congo (DRC), Zimbabwe, and Zambia.

With a diverse variation comprising nearly 40 different minerals, including gold, platinum, chrome, coal, diamonds, and lithium, Zimbabwe boasts the second-largest platinum deposit – 2.8 billion tons – and high-grade chromium ores – 10 billion tons – in the world and the largest lithium deposits in Africa.

With the potential to generate up to \$12 billion annually by 2023, the minerals sector in the southern-African country accounts for 12% of its GDP. Due to the growing demand for rechargeable batteries, Zimbabwe is poised to become one of the world's largest lithium exporters, with four major projects currently under development. In December 2021, mineral production and processing company, Zhejiang Huayou Cobalt, acquired a 100% stake in the Arcardia lithium mine in an effort to boost its production of battery minerals. Additionally, as a result of the Government of Zimbabwe's renewed interest in increasing its domestic production of mineral products, there is significant potential for international companies to develop and supply heavy underground mining machinery and transportation infrastructure to the country.

Strategically positioned at the center of key African markets, – such as the DRC, Angola, and the Central African Republic – Zambia has approximately 6% of the world's proven copper reserves, with some of the world's highest-grade deposits, ranking the country as the seventh largest copper producer globally. Additionally, Zambia possess prospects in uranium, gold, coal, and diamonds, thus defining the mining sector as a growing industry in the southern African country, with multiple projects being commissioned every year, particularly in the broader region between northern Zambia and southern DRC known as the Copperbelt.

With its total wealth in resources estimated in the tens of trillions of dollars, the DRC has substantial, untapped reserves of gold, cobalt, diamond, and high-grade copper. The southern African country produced a total of 100,000 metric tons of cobalt in 2019, accounting for 70% of global production. In addition to Zambia, the DRC boasts some of the world's highest-grade copper, with international mining companies becoming increasingly attracted to the central African country's high grade and low-cost mines situated on its portion of the Copperbelt in the southern regions of the country.





Despite the enormous mineral prospect in the region, however, a complex and fragile investment environment provides some challenges to firms with a low tolerance for risk, with governments developing policies aimed to improve market conditions and maintain the lucrative environment's international foothold. Launched in June 2021, the Zimbabwe National Industrial Development Policy is a recently implemented program that seeks to drive industrialization in the country through value addition, increased employment, and the facilitation and promotion of the development of inclusive and globally competitive industrial and commercial enterprises, demonstrating the government's commitment to maintaining the country's position as an attractive investment destination.

Additionally, the African Continental Free Trade Area (AfCFTA) agreement, which has been signed by 54 African Union member countries, is set to develop the world's largest free trade area, envisaging the establishment of an international community with the potential to generate up to \$3.2 trillion in intra-African trade. Launched in 2019, the AfCFTA agreement is expected to lead to a 60% boost in intra-continental trade by 2022 by reducing trade barriers within Africa and offering new, unique opportunities for the continent to realize global Sustainable Development Goals through its mining sector. Accounting for a mere 2% of global trade, it is estimated that Africa's exports will increase by \$560 billion under the agreement

The global energy transition is poised to transform mineral markets into a force majeure as the shift towards clean energy systems drive mining activities. With many African countries actively pursuing mineral-based industrialization strategies, the production of green energy minerals – such as lithium and cobalt, whose production is expected to increase by up to 500% by 2050 – will provide insurmountable opportunities for countries seeking to transform and diversify their economies, thus contributing towards the global energy transition.

Source: Energy Capital & Power



// MINERAL COMMODITY PRICES

Source: WORLD BANK COMMODITIES PRICE DATA

Commodity	Unit	January 2022 (Price Average)	February 2022 (Price Average)
Aluminium	\$/mt	3,006	3,246
Copper	\$/mt	9,782	9,943
Iron Ore	\$/mt	132.5	142.8
Lead	\$/mt	2,332	2,297
Nickel	\$/mt	22,355	24,016
Tin	\$/mt	41,792	43,983
Zinc	\$/mt	3,599	3,620
Gold	\$/toz	1,816	1,856
Platinum	\$/toz	994	1,049
Silver	\$/toz	23.2	23.5

Available at <http://www.worldbank.org/commodities>





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