IRI INTERNATIONAL REPUBLICAN INSTITUTE
Advancing Democracy Worldwide

CORPORATE COUNCIL ON AFRICA

POLICY BRIEF

THE ENABLING ENVIRONMENT FOR U.S. PRIVATE SECTOR ENGAGEMENT IN AFRICA'S CRITICAL MINERALS SECTOR

The International Republican Institute and the Corporate Council on Africa convened a high-level roundtable of government officials, mining company representatives, community representatives and policy experts on August 14, 2025, to discuss practical steps to foster greater U.S. private sector investment in Africa's critical minerals sector. This policy paper captures analysis of key enablers for investment, the persistent challenges that hinder progress, and actionable recommendations to advance development and responsible investment in this strategically vital area. This paper offers guidance for policymakers and practitioners seeking to navigate the complexities of Africa's critical minerals landscape.

KEY ENABLERS

- **Policy and Regulatory Reform:** Recent reforms in mining codes across several African countries with significant mining reserves have created a more transparent and accountable environment for investment. These reforms include increased responsibility for mining companies, policies that encourage more value from mining operations be retained within producing countries including measures to increase local processing of minerals, and measures to ensure that benefits are more widely shared with communities.
- **Multi-Sector and Regional Collaboration:** Instead of leaving mining policy to ministries of mining, collaboration across and among governments, the private sector, multilateral banks, and civil society organizations produce more resilient and sustainable outcomes, even in the face of political changes. Regional frameworks and initiatives, such as the African Mining Vision, provide helpful blueprints.
- **Data Digitization and Accessibility:** The digitization of geographic, geological and mining data is a crucial enabler for attracting investment and supporting advanced exploration techniques. With digitized and publicly accessible data, companies can leverage technologies like artificial intelligence to identify new deposits and optimize operations. Countries with open data policies such as U.S., Australia, and Canada, set a positive example, while countries with restrictive data practices are starting to look less competitive. Adopting harmonized or common data standards is also very helpful.
- **Infrastructure and Energy:** Reliable energy sources and improved transport infrastructure are essential for the growth of the critical minerals sector. Projects such as multi-country transport corridors demonstrate the value of regional collaboration and provide the backbone for extraction and processing activities. Regional collaboration to develop reliable energy sources could also encourage more development.
- **Human Capital and Technical Knowledge:** Investments in education, technical training, exchanges and partnerships with universities – such as those U.S. universities offer – are essential for building the capacity of local workforce and supporting technology transfers, including disseminating best practices in processing and developing new technologies.

KEY CHALLENGES

- **Policy Uncertainty, Transparency and Corruption:** Companies regularly cite what they perceive as unpredictable changes in the regulatory environment as a major challenge to carrying out large long-term mining projects. These now include recent examples of export bans for some minerals. Policy changes are often justified as measures to deal with corruption, underscoring the importance of greater financial transparency and accountability for all parties.

- **Data Gaps and Accessibility:** Many countries still lack digitized, accessible geological data, which impedes exploration and investment. In the absence of the financial resources necessary for a comprehensive modern geologic survey, computer analysis of archival maps and geologic notes could help fill in data gaps. The case of one former colonial power restricting access to historic maps illustrates the challenge to data access.
- **Infrastructure Deficits:** Inadequate energy supply, poor road networks, and limited access to clean water and other basic services constrain the growth of the sector and hinder community development.
- **Community Engagement and Public Approval:** Insufficient stakeholder engagement and the absence of robust community development agreements can lead to social conflict and missed opportunities for local benefit. Transparency and culturally appropriate information sharing remain limited, making it difficult for communities to fully understand and participate in mining projects. Developing better models that mining companies and communities could employ to work together would reduce project development costs and timelines while building mutual trust and social returns for both sides.
- **Risk Perception:** While corruption and instability are significant risks, U.S. investors often overestimate the risks of operating in Africa due to limited understanding of local contexts. This leads to underinvestment or a preference for working only with large, established companies, at the expense of working with smaller, more innovative but agile international partners and a greater range of local partners.
- **Safety and Environmental Concerns:** Ongoing safety risks and environmental incidents, such as dam disasters, highlight the need for continuous improvement in environmental, social, and governance (ESG) practices across the sector and underscore the importance of better engagement between communities and companies.

RECOMMENDATIONS

- **Align with Continental Strategies while Advancing Policy and Regulatory Harmonization:** Support the ratification and implementation of regional and continental frameworks and institutions, such as the African Mining Vision and the African Minerals Development Centre. Encouraging reforms that promote transparency, accountability, and predictable regulatory environments will attract and retain investment. Ensuring that all national initiatives are aligned with African Union frameworks, including the African Commodities strategy, will help maximize competitiveness and sustainable development. Promoting robust regional cooperation is key to unlocking the full potential of Africa's critical minerals sector.
- **Share Regional Governance Best Practices:** Support convening of African governments from the critical mineral sector to share best practices in transparency, accountability and governance to improve the investment climate.
- **Enhance Community Engagement:** Institutionalizing community development agreements as a standard practice, and ensuring early and continuous stakeholder involvement, will help build trust and maximize local benefits. Improving transparency and locally appropriate communication about project benefits is also essential.
- **Promote Data Digitization and Open Access:** Investing in the digitization of geological and mining data, and establishing standards for open and secure data sharing, will make it easier for companies to explore and develop new projects. Partnerships between African geological surveys and international technology providers can accelerate this process.
- **Strengthen Infrastructure and Energy Systems:** Prioritizing investments in energy generation and transport infrastructure, especially through multi-country projects, will provide the scale and resilience needed for sustainable sector growth.
- **Build Human Capital:** Expanding technical training, scholarships, exchanges, and university partnerships will help develop local expertise in mining, technology, and ESG, ensuring that African countries can fully participate in and benefit from the sector's growth.
- **De-risk Investment and Foster Flexible Capital:** To augment current de-risking strategies**,** support the creation of African credit agencies can provide more context-specific risk assessments.