



The MoU to strengthen EV battery value chain signed by US, DRC and Zambia: A first step from Curse to Blessing of natural resources in Africa?

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The USA, Zambia and DRC signed a MoU on electric vehicle battery value chains. Is this the first step from curse to blessing of natural resources in Africa? What is the next step?

1. In the quest for responses to tackle the paradox of resources and poverty in Africa

The Sub-Saharan Africa region was labelled “**a classic case of the resource-curse phenomenon**” characterized by the abundance of natural resources, low economic development, and misuse of natural resources. Even with abundant natural resources like gold, diamonds, oil, cobalt, coltan, lithium, copper, and much more, several countries have not been able to translate these resources into development for the benefit of its people. [Gelb, 1988; Auty, 1993; Karl, 1997].

It is against this backdrop, that the **Africa Mining Vision [AMV]** adopted in February 2009 by the African Union Heads of State and Government, an Africa’s own response to tackling the paradox of great mineral wealth existing side by side with pervasive poverty.

The goals of the AMV include: *making sure that nations are able to negotiate contracts with mining multinationals that generate fair resource rents and stipulate local inputs for operations; making sure workers and communities see real benefits from large-scale industrial mining and that their environment is protected...improve livelihoods and advance integrated rural social and economic development...Achieving these goals requires paying attention to all the stages of the value chain of non-renewable mineral resources, from contracts and licenses for exploration and production to integrating mining with sustainable development plans...*

The Vision calls – among others - for a structural transformation of the minerals sector in Africa through enhanced linkages with the local economy, increased value addition, promotion of local content and and empowerment, and a judicious and prudent use of mineral revenue to build up Africa’s capital stock and contribute to a knowledge economy. This entails a multi/cross sectorial approach to mineral development policy, especially the link with industrial policy and development of local enterprises and skills.

2. The Cooperation Agreement between Zambia and the DRC for adding value to the battery minerals

It is in the line of the Vision, that on the 29th April 2022, the Republic of Zambia and the DRC signed a historical cooperation agreement to facilitate the development of value chain in electric battery and clean energy sector.

This Cooperation Agreement aimed to provide a framework for bilateral cooperation on the initiative to develop the battery value chain as well as strengthen collaboration between the two neighbouring countries.

For sure, the agreement will strengthen the value chain for production of batteries for electric cars which will be key to economies of Zambia and the DRC and will surely benefit to the entire Africa. Adding value to the battery minerals, through an inclusive and sustainable industrialisation, will definitely allow the two countries to pave the way to a robust, resilient and inclusive growth pattern.

However, some critics have rose by saying that signing is one thing and there is need to actualize the agreement to change the long narrative of considering Africa as only a source of raw materials.

3. The MoU between USA, Zambia and RDC: *Changing the narrative of considering Africa as only a source of raw materials?*

Eight months after the cooperation agreement between Zambia and DRC was signed, the US Department of State released the signed Memorandum of Understanding (MOU) on electric vehicle battery value chains signed by the United States on December 13, 2022, during the Africa Leaders Summit.

Through this MOU, the United States will support the commitment between the DRC and Zambia to develop jointly **a supply chain for electric vehicle batteries**. The MOU supports the DRC and Zambia's goal of building a productive supply chain, from the mine to the assembly line, while also committing to respect international standards to prevent, detect, and take legal action to fight corruption throughout this process.

The DRC produces more than 70 percent of the world's cobalt and have reserves for copper and lithium. Zambia is the world's sixth-largest copper producer, and the second largest cobalt producer in Africa. These resources, and this commitment to cooperation, are crucial components of the urgently needed global energy transition.

With this project, the DRC and Zambia have a golden opportunity to move from their historic status as exporters of cheap raw materials to manufacturer and supplier of battery precursors and the related knowledge-based services.

The plan to develop an electric battery supply chain opens the door for open and transparent investment to build value-added and sustainable industry in Africa and creating a just energy transition for workers and local communities.

To facilitate the process towards a change in the narrative, the US private sector is a tremendous resource, both for technical knowledge and financing, for commercial development at every step in the process. For that, the U.S. government will work with the DRC and Zambia to ensure the private sector has a level playing field to participate in these projects.

4. How to conclude?

Just to say that we hope that peace should prevail in the DRC and in the region to enable the project to really take place.

Rightly, the 2030 Agenda for Sustainable Development adopted by the United Nations General Assembly on 25 September 2015, *recognizes not only that peace and security are prerequisites for achieving sustainable development, but that sustainable development provides the pathway to peaceful societies.* Peace is therefore a key component of sustainable development and prosperous societies. *Let it be the case in the DRC!*