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THE GEOPOLITICS OF CRITICAL MINERALS IN DRIVING ENERGY SECURITY:

POLICY LESSONS FROM UKRAINE'S RARE MINERALS DEAL WITH THE US FOR AFRICA'S ENERGY FUTURE

INTRODUCTION

Ukraine's President Volodymyr Zelenskyy recently rejected a proposal from the United States regarding access to the country's rare earth minerals. This proposal, presented by U.S. Treasury Secretary Scott Bessent, sought to grant U.S. companies a 50% stake in Ukraine's rare earth mineral deposits. Zelenskyy declined the deal, citing a lack of security guarantees for Ukraine and asserting that the agreement overly favoured U.S. interests. President Trump suggested that the deal would reflect the amount of aid that the U.S. has extended to Ukraine amid its conflict with Russia. This rejection highlights the increasing geopolitical importance of critical minerals and the complex negotiations surrounding their control.

Critical minerals are essential for various industries, including renewable energy, aerospace, defence, and nuclear sectors. These minerals are vital for energy security, as they are key components in technologies like solar panels, wind turbines, and batteries. Access to these resources is crucial for economic independence, allowing countries to develop and control their energy infrastructure and reduce reliance on foreign suppliers.

Africa holds a resource-rich position, possessing significant reserves of critical minerals. This makes the continent a focal point of increasing global competition, as nations seek to secure access to these vital resources. The intersection of Africa's mineral wealth and the global demand for critical minerals sets the stage for complex geopolitical dynamics, where issues of sovereignty, economic development, and international partnerships come into play.

THE UKRAINE CASE: WHY SOVEREIGNTY OVER MINERALS MATTERS

The recent rejection of a U.S. proposal for a 50% stake in Ukraine's rare earth minerals by President Volodymyr Zelenskyy underscores the centrality of resource sovereignty in modern geopolitics. This decision, rooted in concerns over imbalanced benefits and insufficient security guarantees, reveals critical insights into how nations navigate the interplay of national interest, economic strategy, and external pressures. For African countries endowed with similar mineral wealth, Ukraine's stance offers a blueprint for asserting sovereignty, while negotiating agreements with global powers.

Ukraine's refusal to cede control of its $10 trillion mineral reserves reflects a calculated prioritization of national interest over short-term geopolitical concessions. Zelenskyy's declaration—"I can't sell our state"—encapsulates the government's resolve to retain ownership of lithium, titanium, and rare earth deposits critical for renewable energy and defense technologies. This stance aligns with broader economic strategy: retaining control enables Ukraine to develop domestic processing capabilities rather than remaining a raw material exporter. The proposed U.S. deal, framed as a trade-off for military aid, faced criticism for perpetuating dependency dynamics reminiscent of colonial-era resource extraction.

Geopolitical pressures further complicated negotiations. President Trump's insistence on linking mineral access to aid packages amplified tensions, revealing how great-power competition shapes resource diplomacy. With Russia's ongoing aggression and China's dominance in mineral refining, Ukraine's rejection signals a bid to avoid entanglement in rivalries that could compromise its reconstruction and long-term development. The Clingendael Institute warns that foreign control of critical minerals risks triggering a "resource curse," where external exploitation exacerbates instability—a scenario Ukraine seeks to preempt.

External actors persistently shape mineral policies in resource-rich states, often prioritizing their strategic interests over local development. In Ukraine, U.S. pressures to secure critical minerals for green transitions clash with domestic priorities for post-war reconstruction and industrial growth. Similarly, African nations face competing demands: Western powers seek alternatives to Chinese-dominated supply chains, while China invests heavily in extraction infrastructure through initiatives like the Belt and Road.

This dynamic perpetuates dependency, as seen in the DRC, where foreign-backed factions exploit mineral wealth to fuel conflict. External influence often manifests through conditional aid, corporate lobbying, or support for political factions—a pattern documented in Zimbabwe and Mali. To counter this, African states must institutionalize safeguards, such as mandatory local equity shares in mining ventures and clauses ensuring technology transfer. Ukraine's emphasis on "investment and security agreements" over outright resource concessions offers a model for structuring partnerships that align with national development goals.

Africa's vast reserves of critical minerals—including 55% of global cobalt, 47.65% of manganese, and 21.6% of natural graphite—position the continent as a linchpin in the global renewable energy transition. Yet, the continent's current export-driven mineral policies risk perpetuating cycles of dependency, undermining its ability to harness these resources for its own energy security and industrial transformation. As demand for lithium-ion batteries, solar panels, and wind turbines surges, African nations face a pivotal choice: remain suppliers of raw materials or ascend the value chain to become producers of finished green technologies.

Africa's mineral wealth is indispensable for achieving both global net-zero targets and its own energy sovereignty. Lithium, cobalt, and nickel—key components of electric vehicle (EV) batteries—are concentrated in countries like the Democratic Republic of Congo (DRC), Zimbabwe, and South Africa. Similarly, manganese and graphite deposits in Ghana and Mozambique could fuel grid-scale energy storage systems essential for solar and wind power integration. However, less than 1% of Africa's lithium and 5% of its cobalt are currently processed domestically, forcing the continent to reimport finished battery components at inflated prices. This paradox leaves African nations reliant on foreign manufacturers to meet their own renewable energy goals, despite controlling the raw inputs.

The renewable energy transition offers Africa a $13 trillion opportunity to industrialize by 2050, but only if it transitions from extraction to manufacturing. For instance, processing cobalt into battery-grade chemicals within the DRC could capture 60% more value compared to exporting raw ore, potentially generating 200,000 jobs in the Katanga region alone. Similarly, Zimbabwe's Bikita lithium mine—the largest in Africa—exports unprocessed spodumene to China, forfeiting $2.8 billion annually in potential cathode material revenues. This export model not only deprives African economies of value, but also delays their transition to low-carbon energy systems, as over 600 million people remain without electricity.

REEVALUATING UKRAINE'S POSITION ON MINERAL AGREEMENTS

Ukraine's initial rejection of the U.S. rare minerals deal was framed as a decisive assertion of resource sovereignty. However, recent indications suggest a shift in approach, with negotiations progressing towards a revised agreement. The emerging deal involves the creation of a joint Reconstruction Investment Fund, where Ukraine commits a portion of its future mineral revenues to facilitate post-war economic recovery. This pivot, driven by economic necessity and geopolitical realities, raises critical considerations for African nations navigating similar pressures in resource governance.

The evolving Ukrainian stance underscores the tension between safeguarding sovereignty and securing foreign investment. While the initial refusal highlighted the risks of external control over strategic resources, the willingness to renegotiate suggests a pragmatic approach to leveraging mineral wealth for national development. For African countries, this presents a nuanced lesson: rejecting unfavorable terms is a necessary starting point, but sustained engagement and strategic renegotiation can yield agreements better aligned with long-term interests.

Furthermore, Ukraine's shift demonstrates the extent to which economic vulnerabilities can shape resource diplomacy. In the face of external pressures, nations may be compelled to reassess rigid positions to attract capital and infrastructure investment. This dynamic is particularly relevant for African states, where mineral wealth is often entangled in broader economic dependencies. A rigid stance on mineral sovereignty, while crucial, must be coupled with institutional frameworks that enable controlled engagement with global markets.

The unfolding negotiations also expose the complexities of securing equitable terms in a landscape where geopolitical interests dictate investment flows. Ukraine's case illustrates the risks of linking mineral agreements to external aid or security considerations, as such dependencies can constrain a nation's bargaining power. African governments must recognize that the most sustainable resource policies are those that ensure both ownership and economic benefit, resisting arrangements that perpetuate extraction without value addition.

Placing this within the broader discourse on Africa's mineral wealth, Ukraine's evolving position serves as a reminder that sovereignty is not just about rejecting deals, but about shaping such deals to serve national interests. This recalibration of strategy provides African nations with a reference point for engaging external partners; without ceding control over their critical resources

LESSONS FOR AFRICAN COUNTRIES IN NEGOTIATING MINERAL AGREEMENTS

Africa's mineral-rich nations can draw three key lessons from Ukraine's experience. First, strengthening legal and negotiating frameworks is essential to prevent inequitable contracts. The World Bank emphasizes that transparent, well-negotiated agreements are more sustainable and aligned with national interests. For instance, the Democratic Republic of Congo (DRC) lost over $1 billion in potential revenue due to poorly structured mining deals, highlighting the cost of weak negotiation capacity. African governments must invest in technical expertise to counterbalance corporate and geopolitical leverage during trade talks.

Second, local value addition must replace raw material exports. Ukraine's focus on retaining mineral ownership mirrors Africa's need to build refining and manufacturing industries. As the Centre for Journalism Innovation and Development notes, processing minerals domestically—rather than shipping them unprocessed—could transform Southern and Central Africa into hubs for battery production and renewable technology. This requires targeted investments in infrastructure, education, and regulatory reforms to attract high-value industries.

Third, diversifying international partnerships mitigates over-reliance on single powers. Ukraine's resistance to U.S. demands illustrates the risks of aligning too closely with one bloc. For Africa, balancing engagements with the U.S., EU, China, and regional actors ensures better terms and reduces vulnerability to external coercion. Regional alliances, such as the African Continental Free Trade Area, could amplify bargaining power, enabling collective negotiation of mineral rights and technology transfers.

The geopolitical landscape shaped by Ukraine's rejection of the U.S. rare minerals deal offers critical insights for African nations navigating their own mineral wealth. By learning from Ukraine's experience, African countries can adopt strategies that prioritize sovereignty, economic development, and sustainable partnerships. Policy recommendations in this regard include:

Strengthening Legal Frameworks to Protect National Mineral Resources: African nations must prioritize the establishment of robust legal frameworks that safeguard their mineral resources. This includes enshrining resource sovereignty in national constitutions and laws, similar to Ukraine's approach, which emphasizes that mineral deposits belong to the state and its citizens. By implementing clear regulations governing mineral exploration and extraction, countries can ensure that foreign investments align with national interests.

Moreover, legal frameworks should incorporate provisions for transparency and accountability in mineral contracts. This can be achieved through mandatory public disclosure of mining agreements, in addition to independent audits of mining operations, to prevent corruption and mismanagement. Strengthening institutional capacity within regulatory bodies is also essential to effectively oversee compliance with these laws.

Encouraging Local Processing and Beneficiation instead of Raw Material Exports: To maximize the economic benefits of their mineral wealth, African countries should prioritize local processing and beneficiation over raw material exports. This shift not only creates jobs, but also enhances value retention within national economies. For instance, countries like Zambia have begun implementing policies that require local processing of copper before export, aiming to capture more value from their resources.

Investment in infrastructure is crucial for facilitating this transition. Governments should collaborate with private sector partners to develop processing facilities and logistics networks that support local industries. Additionally, providing incentives for companies that invest in local processing—such as tax breaks or subsidies—can stimulate domestic value chains.

Diversifying International Partnerships to avoid Over-Reliance on any Single Power: African nations must diversify their international partnerships to reduce dependency on any single foreign power. The geopolitical dynamics illustrated by Ukraine's experience highlight the risks associated with aligning too closely with one country or bloc. By engaging multiple partners—ranging from Western nations to emerging economies like India and Brazil—African states can negotiate better terms and ensure a more balanced approach to resource management.

Establishing bilateral and multilateral agreements that prioritize mutual benefits can help create a more equitable landscape for resource extraction. For example, partnerships that include provisions for technology transfer and capacity building can empower African nations to develop their own industries rather than remaining reliant on foreign expertise.

Establishing Regional Alliances to Negotiate Better Terms on Mineral Deals: Regional cooperation is essential for African countries seeking to enhance their bargaining power in global mineral negotiations. By forming alliances—similar to the African Union's initiatives—nations can present a united front when negotiating with multinational corporations or foreign governments. Such alliances could focus on common standards for environmental protection, labor rights, and revenue sharing.

Additionally, regional frameworks can facilitate knowledge sharing and best practices among member states regarding mineral governance. For instance, the Southern African Development Community (SADC) could play a pivotal role in harmonizing policies related to mining operations across member states, ensuring that all countries benefit equitably from their shared resources.

CONCLUSION

As the global demand for critical minerals intensifies, Africa stands at a crossroads, with its vast mineral wealth offering both opportunities and challenges. The lessons drawn from Ukraine's rejection of the U.S. rare minerals deal highlight the importance of developing a unified mineral strategy that balances energy security with economic growth. For Africa to capitalize on its resource endowment, it must prioritize sovereignty over its minerals, ensuring that these resources serve the continent's long-term interests rather than becoming tools of external exploitation.

Looking ahead, Africa has the potential to become a cornerstone of the global energy transition. As countries worldwide seek to reduce their reliance on fossil fuels and embrace renewable energy technologies, Africa's rich deposits of critical minerals will play an indispensable role in this transformation. By leveraging its resources responsibly and strategically, Africa will not only enhance its own energy security, but also contribute significantly to global sustainability efforts.

The path towards a strategic and sustainable mineral policy for Africa requires concerted efforts at national and regional levels. By prioritizing sovereignty, fostering local value addition, and engaging in equitable partnerships, African nations can harness their mineral wealth to drive economic growth and secure a prosperous future in the rapidly evolving landscape of the global energy transition.

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