



Preventing Corruption in Africa's Transition Mineral Supply Chains

SUSANNAH FITZGERALD, AARON SAYNE, MOHAMED CISSE, MOISE LIBOTO MAKUTA | JULY 2025

Key messages

- The current increasing attention to Africa's mineral resources could attract much needed investment to the continent or power broader development goals, but many citizens view the prospect of a new mining boom with suspicion. The sector has become synonymous with harmful and costly corruption, often perpetrated by wealthy elites and foreign companies who are able to avoid its worst impacts.
- At the same time, anticorruption actors should be alert to new or shifting dynamics, such as the greater emphasis on value addition, or challenges around access to financing. They should also devote more attention to issues that have long been overlooked, such as the intersection between corruption and other types of harm in the mining sector.
- Failure to properly address corruption and its causes and consequences will only lead to more harm and instability, both for African countries and across the mineral supply chains needed to power the green transition.
- Tackling these issues effectively requires a deep understanding of the specific nature of corruption in each country, yet the drivers of corruption often have global roots. Long-lasting solutions to corruption must therefore be a shared responsibility between African leaders, decision-makers in major market jurisdictions, multilateral actors such as the African Union and the African Development Bank, companies across the supply chain, investors and the donor community.
- Addressing this corruption is therefore crucial, to avoid the injustices of the past. Many of the risks are well known, surrounding political access and civic space, licensing and contracting processes for mining projects, the role of state-owned enterprises (SOEs), and processes for collecting revenues from the sector. This means that there are important lessons to learn from the efforts of reformers across the continent and beyond to tackle these harms.

Introduction: why should we keep talking about corruption in Africa's mining sector?

The history of mining in Africa is riddled with injustices, many of them rooted in corruption. Few Africans can claim to have benefited from mineral extraction, and, in some places, graft around the sector has worsened inequality, fueled political violence and instability, and deepened social and environmental harms. These include forced relocations and land dispossessions, distortion of economic and livelihoods systems, bad health outcomes for workers and nearby populations, deforestation and pollution, and a range of conflicts.

Now a fresh geopolitical scramble for control of African mines is underway, much of it linked to the global energy transition. Without access to African metals and minerals, the world will struggle to shift away from fossil fuel-based energy sources. The continent holds 19 percent of all reserves of metals required to make a standard battery-powered electric vehicle, and at least a fifth of reserves in a dozen minerals critical for the energy transition. In some mineral supply chains, such as cobalt and manganese, African countries represent over 50 percent of global production.

As appetite for Africa's mineral wealth grows, there is risk of a corresponding boom in corruption, with harmful impacts on communities and nature, state budgets and our collective ability to realise a just energy transition. In past commodity booms, fast-paced dealmaking and the promise of windfall profits encouraged graft and self-enrichment, while regulators and oversight actors struggled to keep pace.

This time must be different. Mining has contributed at least eight percent of total government revenues in the 15 most mineral-dependent African economies, but has translated to few opportunities for African businesses in the supplier segments and value chains that use the minerals. Left unaddressed, corruption will contribute to a new "green colonialism," where Africans will see their minerals shipped overseas

to decarbonize the economies of wealthier countries, yet will not benefit themselves—while enduring some of the worst impacts of environmental degradation and climate change.

Another challenge faces the continent when it comes to tackling corruption in the mining sector: fatigue. In the face of deeply embedded corrupt structures, maintaining morale and commitment in the fight against corruption is one of the toughest challenges. Anticorruption initiatives or crackdowns have come and gone in many countries, but the everyday living conditions of Africans have not improved at a corresponding pace. Some of these challenges can reflect deeper sociocultural values and practices, whether patronage and clientelism, loyalties to ethnic and kinship ties, gift giving and reciprocity, or weak trust in institutions. At the same time, stereotypes about corruption on the continent have also perpetuated harm and led to challenges in securing crucial investment, while the businesses and agents offering bribes have escaped with reputations often unscathed. Yet looking away from these injustices is not an option if Africa is to have a fairer, cleaner future.

From NRG's years of experience across mineral-rich African countries, we have identified four issues that continue to pose significant corruption challenges for the continent: political access and civic space; licensing and contracting processes for mining projects; the role of SOEs, and revenue collection. This briefing sets out the key risks in these areas, and some practical examples of reform efforts. We also point to issues over which anticorruption actors should be vigilant in coming years, such as corruption risks surrounding growing calls for greater value addition, struggles to source investment, and social and environmental harms in the sector. In doing so, we hope to renew focus on this topic and support the diligent efforts of anticorruption actors working across the continent.

The four key corruption issues facing Africa's transition minerals sector

Based on NRGi's work across mineral-rich African countries, four key corruption issues stand out:

1. Undue political influence and civic space
2. Licensing and contracting of transition mineral projects
3. State-owned enterprises
4. Revenue collection

1. Undue political influence and civic space

Why does this issue matter now?

Mining does not take place in a vacuum. Mineral-rich countries or regions often have complex sociopolitical dynamics, particularly if access to and control of resources have helped build an entrenched and powerful elite. As the world faces growing geopolitical turbulence and competition, and grapples with the epoch-shifting challenge of the energy transition, navigating these complexities can become even more difficult.

China, Russia, the U.S., the European Union (EU) and the Gulf states are jostling for influence in Africa and for access to the continent's minerals. While this could provide a moment of leverage for African countries, there is a risk that powerful elites will use corrupt means to outdo their perceived competitors, with detrimental consequences for democracy and the rule of law.

2024 was a bumper election year, with ample opportunity for foreign actors to unduly exert their influence on decision-makers, as candidates sought resources to run their campaigns. Elections took place in countries that are home to almost half of the world's population, including African states such as Botswana, Ghana, Senegal and South Africa. Active monitoring by civil society and the media of any licensing and contracting decisions made last year, and in the future, will be essential for ensuring that Africa's citizens benefit from growing demand for their resources, particularly as the continent battles shrinking civic space.

What are the main risks?¹

- 1. State capture:** While corruption may involve explicit transactions, such as bribery, it can also take more subtle and complex forms. Rather than pay a bribe to work their way around laws and regulations, corrupt actors may find it more effective to ensure that the rules are stacked in their favor in the first place. This can lead to the capture of policy or regulatory processes by private interests, or even capture of the entire state apparatus. Political actors can be complicit in this process, leading to a mutually beneficial situation for political and business elites, at the expense of the general population.
- 2. Election interference:** Elections can be particularly tense for mining firms, especially if they worry that a change of government could be bad for business. Past cases show firms offering goods or services to officials or political parties to help sway election results, as well as officials diverting public funds from the extractive sector to buy support or manipulate the electoral process— for example, through campaign adverts and lobbying, vote-buying, or bribing election and security officials. Even if they are legal, excessive political donations from mining firms may sway decision-makers away from the public interest.
- 3. Repression of civil society and independent media:** The freedom of civil society and independent media to hold those with power to account is a fundamental component of democracy, and essential to ensuring a responsibly managed mining sector. Yet most African countries have experienced shrinking civic space. In sub-Saharan Africa, CIVICUS found that 43 out of 50 countries had obstructed, repressed or closed civic space in 2024, with the most common violations involving journalists. As media ownership becomes increasingly concentrated in the hands of business or political elites, who may be the same figures benefiting from corrupt systems, the space for critical voices and accountability has also decreased.

¹ For more on the social impacts of corruption, see NRG's joint briefing, "Digging Into the Problem": resourcegovernance.org/publications/digging-into-the-problem.

What does corruption in this space look like?

CASE STUDY: chromite in Madagascar

In 2018, the Russian firm Ferrum Mining won an 80 percent stake in three of Madagascar's chromite mining licenses, through a joint venture (JV) with the state-owned mining firm. [NGO research and whistleblower evidence](#) have alleged that Ferrum was controlled by Russian national Evgeny Prigozhin, a [convicted felon](#) who died in 2023, having led the notorious Wagner Group, a paramilitary force responsible for atrocities on multiple continents, including [massacring civilians](#) in the Central African Republic while [mining gold and diamonds](#).

As Ferrum's chromite licenses were being negotiated, a group of Prigozhin associates with Kremlin backing began interfering in Madagascar's closely contested presidential election. This [allegedly included](#) in-person and online disinformation campaigns, bribery and intimidation of the opposition, and support for fringe candidates—all apparently in return for Ferrum's stake in the mining JV. The interference also came at a time when Russia was [seeking greater influence and control](#) over Africa's politics and resources.

The JV was ultimately a failure, both for Ferrum and Madagascar. Workers at the mines [went on strike](#) within months, claiming poor conditions, and Ferrum had [shut down operations](#) by the end of 2019, allegedly without paying local salaries. Five years on, to the best of our knowledge, the mines remain idle.

How have anticorruption actors tackled this risk area?

CASE STUDY: the Ghanaian "Pledge Against Corruption"

In Ghana, anticorruption actors across civil society, the media and the business community came together to develop the [Pledge Against Corruption](#) ahead of the country's elections in 2024. Five out of nine political parties and four independent candidates contesting the elections made the Pledge against Corruption.

The pledge outlined [commitments](#) for presidential candidates and parliamentary candidates in four key areas: financial transparency and probity; transparent governance; decentralization and grassroots empowerment; and enforcement and accountability. These included commitments that would help to address issues around undue influence and protections for civic space. For example, candidates were asked to commit to ensuring that their political parties submit audited financial statements to the electoral commission, publicly disclose the identities of donors to their campaign, strengthen protections for whistleblowers, and welcome scrutiny on the delivery of these issues from civil society, the media and the general public.

Since the election in December 2024, the new government has taken some early steps toward implementing several commitments in the pledge, notably on asset recovery and asset declarations by officials. The president [sanctioned](#) appointees for non-adherence to asset declaration laws by instituting requirements for three months' salary forfeiture for non-compliance by 31 March 2025 and automatic vacation of post by 7 May 2025. Additionally, the new government also [launched](#) a Code of Conduct and Ethics for all political appointees, and limited the number of ministers and deputy ministers to below 60, in line with its campaign promise and commitments in the Pledge Against Corruption.

2. Licensing and contracting of transition mineral projects

Why does this matter now?

Demand for minerals is expected to experience continued growth over the coming decades. The International Energy Agency estimates that by 2040, demand for lithium could be as much as nine times higher than it is today. For graphite, demand could be four times higher, and for nickel, cobalt and rare earth elements, it could be double.

While policy decisions can reduce some of this demand, and recycled and recovered materials will play an ever-more important role in supply, a significant number of new mines will still have to come online to meet energy transition needs. The African continent remains relatively unexplored, meaning there is significant potential for new deposit discoveries and mines in future years. Yet each new mine requires a licensing process, creating discrete opportunities for corruption, as businesses and officials interact in a high-stakes and often extremely lucrative decision-making process.

The risks are significant: NRGi has already identified over 50 credible cases of corruption in the licensing and contracting of transition minerals projects, covering a diverse range of minerals, and 8 of the 10 countries with the highest levels of transition mineral reserves. Overall, these corruption cases took place across 30 countries, including 10 from Africa, and often featured companies based in the world's wealthiest jurisdictions.

What are the main risks?²

The mining licenses and contracts that African governments sign determine who gets lucrative opportunities that can last for decades, and whether recipients have the experience and business practices to mine both efficiently and responsibly. These awards have seen major scandals, and past cases of corruption in the mining sector have revealed at least three big areas of possible misconduct:

- 1. Bribery or self-dealing to influence who wins, and what terms they receive:** Whether through financial payments, lavish gifts, hospitality, or the promise of future employment or business opportunities, some companies are willing to go to inappropriate lengths to outdo competitors and get their way in negotiations. Or, in cases, officials have steered licenses or contracts to companies that they, their family members or associates own, control or will otherwise benefit from.
- 2. Manipulation of processes meant to involve and protect impacted communities and the environment:** Securing a license should involve careful procedures to minimize socioenvironmental harm, such as environmental and social impact assessments (ESIAs), thorough and ongoing community consultation and consent, and well-managed land access negotiations. Yet actors such as companies, officials, and local leaders with influence or power in each of these processes may act corruptly or conspire to get around these requirements, at great cost to communities and nature.
- 3. Undue private influence over the rules around licensing and contracting:** As noted above, unscrupulous actors may use both illegal and legal means to unduly shape legislation and regulations in their favor, in a process which can lead to industry capture of policymaking. This can have a direct impact on licensing and contracting processes if, for example, companies seek to weaken rules around competitive award processes or ESIA requirements. Officials themselves may drive this type of behavior if they wish to solicit benefits, creating a mutually reinforcing relationship that serves elites at the expense of the public interest.

² For more on these risks, see NRGi's Corruption Diagnostic Tool module on Licensing and Contracting: [anticorruptiontool.resourcegovernance.org/wp-content/uploads/2023/12/NRGI_DiagnosingCorruption_Module_Licencing.pdf](https://www.nrgi.org/wp-content/uploads/2023/12/NRGI_DiagnosingCorruption_Module_Licencing.pdf).

What does corruption in this space look like?

CASE STUDY: manganese in South Africa

In 2005, South Africa's Department of Minerals and Energy awarded prospecting rights for eight large manganese deposits to United Manganese of Kalahari (UMK), a newly registered company. UMK, in turn, was a joint venture between offshore entities part-owned by Russian oligarch Viktor Vekselberg and Chancellor House Holdings (CHH), a South African Black Economic Empowerment vehicle. The award showed a number of irregularities: the consortium received licenses that other firms had already sought, even though South African law called for first-come, first-served awards. UMK also won licenses it did not apply for. Within months, South African investigative journalists reported that the ruling African National Congress (ANC) owned and controlled CHH.

CHH has defended its financial ties to the ANC as fully legal and transparent, claiming that the company was set up to “help historically disadvantaged South African persons.” Yet the award of licenses to UMK concentrated control of South Africa's manganese reserves—the world's largest—in the hands of a single group of investors. Over time, CHH's stake in UMK has become a major lifeline to the ANC. UMK has also made direct contributions to the party. In 2022, for example, the company paid 15 million rand (USD 826,000) to the venue where the party held its conference.

How have anticorruption actors tackled this risk area?

CASE STUDY: Sierra Leone contract disclosure reforms

Many African countries have passed contract transparency laws for their mining sectors, or are members of the Extractive Industries Transparency Initiative (EITI), yet so far, only a handful—including Ghana, Guinea, Niger, Senegal and Sierra Leone—have published a significant number of agreements. Sierra Leone has shown that more transparency is possible: the government has published a list of all active mining agreements, the full texts of which are available either on the National Minerals Agency website or on resourcecontracts.org, a database maintained by NRG. For mining licenses, the country's cadastre system discloses information on factors like license coordinates, application dates, duration and payments, yet the full text of licenses remains confidential.

Contract transparency can help tackle corruption by, for example, making it more difficult to keep questionable contract terms from the public, and supporting efforts to monitor compliance with obligations. Yet this transparency alone is insufficient to lead to better outcomes for a country's mining sector; citizens, working together with experts in academia, civil society and the media, must have the civic space and skills to analyze and use contract data without fear of reprisals.

3. State-owned enterprises

Why does this matter now?

State-owned enterprises (SOEs) often play a crucial role in the mining sector; the Organisation for Economic Co-operation and Development (OECD) has [noted](#) that the outsized role of SOEs in the energy and extractives space makes them critical players in the energy transition.

In Africa, SOEs play a particularly important role in the mining sector, often with significant implications for the broader economy. The EITI [lists](#) 24 state-owned mining enterprises active in its implementing member countries in Africa, covering a wide range of metals and minerals, and more African governments are looking to expand the role of the state in their mining sectors. For example, [Uganda](#) formed a new state-owned mining company in October 2024.

Yet SOEs are too often hampered by [corruption](#). An International Monetary Fund (IMF) Working Paper has [outlined](#) that corruption is costly to the performance of SOEs, both in terms of profitability and productivity. Researchers also found that SOEs perform as well as private firms in sectors such as mining when corruption is low. Controlling corruption in SOEs should therefore be a top priority for decision-makers looking to ensure that Africans benefit from their resources.

What are the main risks?³

Some African mineral producers—the Democratic Republic of the Congo (DRC) and Zambia, for instance—have state-owned mining firms that play important, sometimes overlapping, commercial, regulatory and public-finance roles. Giving an SOE control over mineral reserves can enable a country to benefit from extraction. But some mining SOEs have become vectors of misappropriation, waste and socioeconomic harm in at least three common areas:

- 1. Award of business opportunities:** Past cases show that when some African SOEs partnered with or awarded licenses and contracts to private firms, corrupt officials took bribes for special treatment or steered awards toward companies that they, their family members, associates or allies controlled. Others made sure politically connected companies received contracts and licenses with favorable terms, some of which cost the state billions of dollars.
- 2. Use of public revenues:** Some African SOEs also collect, manage and spend large amounts of public money, often in the form of taxes, royalties or other fees collected from companies; mineral sale receipts, and loans. Past cases show these funds being misappropriated, embezzled or wasted—for example, through SOE officials diverting payments to privately controlled accounts in secrecy jurisdictions; buying luxury goods or services for politically exposed persons, or pouring money into corrupt social or public works projects outside the company's core business.
- 3. Approvals and regulatory oversight:** In still other cases, private mining companies bribed African SOE or other officials to manipulate the SOE's approval and regulatory functions. Examples have included payments to avoid local content or environmental requirements, or to ensure the SOE will sign off on the company's annual work program without pushback.

3 For more on these risks, see NRGi's Corruption Diagnostic Tool module on State-Owned Enterprises: anticorruptiontool.resourcegovernance.org/wp-content/uploads/2023/12/NRGI_DiagnosingCorruption_Module_SOEs.pdf and NRGi's Anticorruption Guidance for Partners of State-Owned Enterprises: soe-anticorruption.resourcegovernance.org/.

What does corruption in this space look like?

CASE STUDY: lithium contracts in the DRC

In 2016, Cominière, one of the DRC's state-owned mining firms, created a new lithium mining joint venture (JV) to hold the rights to the Manono project, which could be the world's largest lithium deposit. A majority stake went to Dathomir Mining, a shell company with no mining experience. Dathomir never paid Cominière the agreed USD 6 million fee for the rights, most of which it re-sold within two months to AVZ Minerals, an Australian company, for an estimated USD 28 million profit. NGO and media investigations alleged that Dathomir was owned by Simon Cong and Guy Loando, both linked to corruption scandals involving the previous government.

Separately, in 2021, Cominière sold a 15 percent stake in the same lithium venture to a Chinese firm, Zijin Mining. A report by the Inspection Generale des Finances, DRC's highest institution monitoring and assessing public finance decisions and policies, estimated that Cominière undervalued the equity sold to Zijin by USD 120.7 million. As part of the sale, Zijin also paid a USD 1.6 million commission to Focus Plaidoirie, a consultancy firm reportedly owned by Lisette Kabanga, a former deputy secretary in charge of external relations for President Felix Tshisekedi's political party.

In 2023, the Congolese government revoked AVZ's license and split the original permit, later awarding rights to Manono North to a Cominière-Zijin JV (Manono Lithium SAS), which has announced it will start commercial production next year. Manono South belongs exclusively to Cominière. These decisions have been contested in an ongoing arbitration procedure between the Congolese State (and Cominière) and AVZ over ownership. This has kept Manono South undeveloped. Meanwhile, NGO reporting has raised issues with the JV's community engagement and environmental practices, with local residents reporting that Manono lacks stable electricity supply or access to health services and clean water.

How have anticorruption actors tackled this risk area?

CASE STUDY: prohibiting the use of high-risk intermediaries in the United Arab Emirates

Many corruption cases across the extractives sector have involved intermediaries, also known as middlemen or agents. While not inherently corrupt, the use of intermediaries can turn corrupt in two main ways. First, the intermediary can receive money or gifts from the company, then secretly pass all or part of these on to an official. Second, the intermediary can broker access to key officials that other firms competing for the same license or contract do not enjoy.

Given these risks, some companies have taken steps to prohibit or restrict the use of agents, including state-owned enterprises. Abu Dhabi's national oil company, ADNOC, included in its 2021 General Terms and Conditions for the Sale of Crude Oil a provision prohibiting the use of agents:

"19.3 Buyer represents that:

- (a) this Contract is entered into without the assistance or intervention, direct or indirect, of any broker, intermediary, commission agent or any similar person, firm or corporation (each hereinafter referred to as an "Agent");
- (b) neither Buyer nor any of its Affiliates, directors, officers, employees, agents, representatives and consultants have engaged the services of any such Agent for the purposes of exercising or obtaining improper influence in connection with this Contract; and
- (c) no Contractors fee or other compensation has been paid or is payable by Buyer or any of its Affiliates, directors, officers, employees, agents, representatives and consultants to any Agent in connection with this Contract."

This wording has been retained in a 2023 update to these Terms and Conditions.

4. Revenue collection

Why does this matter now?

As the world eyes the potential of Africa's mineral wealth to power the energy transition, African citizens are rightly asking how they will benefit from renewed global interest in their resources. Much discussion has focused on what constitutes a fair deal for mineral-producing African countries, and the United Nations recently called for developing countries to have the opportunity to benefit from their participation in global mineral value chains, including through "a fair share of sector revenues that are effectively managed."

Yet renewed efforts to tackle corruption in the collection of mining revenues are needed alongside these demands for a fairer distribution of the benefits of mining. Failure to tackle corruption means that even successful negotiations for a fairer deal will be partly in vain, as these hard-earned revenues risk being continually siphoned off by unscrupulous actors.

Africa urgently needs these revenues to meet its development needs. The World Bank found that in 2024, sub-Saharan Africa accounted for 16 percent of the world's population, but 67 percent of the people living in extreme poverty.

What are the main risks?⁴

At least three types of corrupt behavior have kept African countries from collecting a full and fair share of revenues from their mining sectors:

- 1. Biased enforcement or company manipulation of fiscal obligations:** Once terms are agreed and actual collection of mining revenues begins, companies can resort to a variety of tactics to reduce what they owe. Common examples include underreporting the amount and value of minerals they have produced, or overreporting costs that they can deduct, or credit against the taxes they owe. Revenue collection agencies in some countries have turned a blind eye to these practices, due to bribery and favoritism. However, it should be noted that problems like these are separate from the wider challenge of tax avoidance, where mining firms engage in elaborate but legal efforts to lower their tax liabilities. Recent IMF research suggests that avoidance of corporate income tax could be costing 15 African mining countries USD 600 million per year.
- 2. Commodity sale corruption:** Corruption can infiltrate government sales of minerals in several ways. Companies may bribe or otherwise influence officials to gain the opportunity to purchase minerals, or to influence the terms of sale. Corrupt officials with influence over sales may solicit or require the payment of such bribes, or make sure favored companies receive the best deals and terms. They might also facilitate or turn a blind eye to commodity sale fraud or smuggling.
- 3. Misappropriation or embezzlement of revenues:** Past cases have shown officials diverting payments owed to the state into private accounts—often offshore—typically with a mining company's complicity, or allowing private companies to collect certain revenue streams such as royalties in place of the state.

⁴ For more on these risks, see NREGI's Corruption Diagnostic Tool module on Revenue Collection: anticorruptiontool.resourcegovernance.org/wp-content/uploads/2023/12/NREGI_DiagnosingCorruption_Module_Revenue-Collection.pdf

What does corruption in this space look like?

CASE STUDY: Copper and cobalt in the DRC

Between 2010 and 2012, the Congolese state-owned mining firms Gécamines and Sodemico sold parts of their stakes in valuable copper and cobalt projects to little-known offshore companies traceable to Israeli mining entrepreneur Dan Gertler, a friend of former Congolese president Joseph Kabila since at least the 1990s. Joseph Kabila became president in 2001 after the assassination of his father, President Laurent-Désiré Kabila. A series of joint ventures, all owned by Gertler and affiliates of U.S.-based Och-Ziff Capital Management, then took over ownership. Each joint venture had the same goal: buy valuable mining assets in the DRC, consolidate them into a single entity or multiple companies, then sell the companies to larger mining firms at a significant profit. Och-Ziff would supply the initial investment capital; Gertler would handle government relations.

The Congolese government continued doing business with Gertler companies even after NGOs, investigative journalists and others began raising concerns. Due diligence performed by one of Gertler's business partners found evidence of ties between him and Congolese politically exposed persons. In emails and personal meetings, Gertler and his associates also made clear to Och-Ziff personnel that significant sums of money would be needed to pay DRC officials, including President Kabila, his associates and other "local partners." Ultimately, a U.S. Department of Justice investigation reached an agreement with Och-Ziff, which acknowledged that companies controlled by Gertler "paid more than one-hundred million U.S. dollars in bribes to DRC officials to obtain special access to and preferential prices for opportunities in the government-controlled mining sector" from 2005 to 2015. Gertler is not explicitly mentioned in the OchZiff statement of facts, which refers to a "DRC partner."

Gertler has consistently denied findings of this kind and has retained significant mining assets in the DRC, in 2023 earning an estimated USD 120 million from royalty payments alone. In 2017, under the authority of the Global Magnitsky Human Rights Accountability Act, the U.S. Treasury sanctioned Gertler for involvement in corruption in the DRC. In 2022, the Congolese Minister of Justice signed a Memorandum of Understanding with a Gertler-owned company, under which several assets were

returned to the state. NGOs have alleged that the deal led to the return of dormant assets, while Gertler continued to receive USD 250,000 per day in royalties from three lucrative copper-cobalt mining projects.

How have anticorruption actors tackled these risks?

CASE STUDY: Training Guinean CSOs to monitor subnational mining revenues

In the late 2010s, the Guinean government established a Local Economic Development Fund (FODEL), through which the country's municipalities could receive and share mining revenues from private companies and the state. Through FODEL, municipalities receive 0.5 percent of sales for bauxite and iron, and 1 percent for other mining substances.

Given Guinea's longstanding challenges in leveraging its natural resource wealth for development, NRGi had advocated for FODEL to be established. Once the fund was in place we made recommendations for how the new revenues could support sectors beyond mining, such as family farming, local manufacturing and other forms of local entrepreneurship, to promote self-employment and long-term food security. NRGi also trained over 200 members of mining communities in how to monitor companies' payments and transfers—for example, by using smartphones to collect data.

Between 2019 and 2021, the country's 342 municipalities received mining-related payments totalling USD 42 million. An audit by Action Mines, an NRGi civil society partner in Guinea, found that the money had been invested in a broad spectrum of infrastructure, public services, job creation and income generation projects. These included initiatives for improved water and sanitation services; electrification for underserved communities and households; the building and improvement of roads, bridges, schools, health centers, youth centers and retail infrastructure; the purchase of municipal vehicles; new business enterprises such as market gardening and community agriculture; and tree nurseries for local reforestation. Municipalities also reserved a fixed proportion of funds for projects led by women and young people.

Horizon scanning: corruption risks causing increasing concern

NRGI's research has outlined several corruption cases that follow well-known patterns and involve familiar faces, from middlemen to SOEs. Yet corruption is, by its very nature, hidden and always evolving, with cases often taking many years to come to light after the initial wrongdoing took place. For this reason, it is important to consider corruption issues which are becoming increasingly prominent or may play a bigger role in the future. Below, we outline three key issues over which anticorruption actors in Africa should remain vigilant.

1. Corruption undermining equitable value addition

Africa's citizens have been clear that they want this mining boom to be different, moving away from "pit-to-port" models of extraction towards building value chains and diversified economies on the continent. Policies to add value within mining countries are always, on paper, designed to benefit citizens, yet by creating opportunities and incentives for companies, they are also exposed to corruption risks.

Different types of corruption risk could emerge in this space, including the capture of policymaking decisions surrounding value addition; corruption in the licensing and permitting of value-addition projects or associated infrastructure, and the abuse of financial incentives. For example, questions have been raised about the beneficial ownership of a Ghanaian gold refinery that has been granted an advantageous permit to refine gold purchased by the Bank of Ghana.

2. Difficulties accessing financing creates space for exploitation or wrongdoing

The International Energy Agency estimates that around USD 80 billion of investment is needed between 2024 and 2040 to reach net zero, yet access to financing remains one of the most difficult challenges for Africa's mining industry. In particular, the gap in funding for infrastructure development has posed myriad problems.

Despite growing demand for minerals, exploration rates on the continent lag behind potential reserves. Faced with these challenges, there is a danger that decision-makers might turn towards riskier sources of financing.

Over the past decade, resource-backed loans became a popular tool across the continent, many characterised by a lack of transparency and mostly issued by Chinese policy banks or commodity traders. While the use of resource-backed loans has decreased in recent years, and the African Development Bank has urged against their use, they highlight the scope for harm as African nations seek to plug their financing gap.

The same actors also remain active in the mining investment space; many commodity traders are developing their metals desks, and some are involved in flagship projects on the continent, despite checkered pasts. For example, the trading company Trafigura has played a key role in the Lobito corridor, a strategic railway line connecting copper and cobalt mines in the centre of Africa to a port on Angola's Atlantic coast, despite facing trial in Switzerland for historic corruption in Angola.

3. Social and environmental harm is exacerbated by growing corruption

As more mining takes place across the globe, the social and environmental harms associated with the sector are also growing. From human rights abuses and woefully unsafe working conditions, to rampant deforestation and pollution of water, soil and air, these harms are as diverse as they are devastating. The Business and Human Rights Resource Centre has recorded 128 allegations of human rights abuses in sub-Saharan Africa since 2010 in its transition minerals tracker.

Corruption plays an essential, but often overlooked, role in facilitating, obscuring and preventing accountability for socioenvironmental harm in the mining sector. Ambiguous legal frameworks, weak governance, political transition or instability, geopolitical competition and insufficient cross-border anticorruption cooperation, strong demand and high commodity prices all drive this corruption, often leading decision-makers to prioritize concerns about the security of supply over the needs of communities and nature.

Conclusion: where next for anticorruption work in Africa's transition minerals sector?

Leaders across government and civil society have issued a clear demand regarding the energy transition: if the continent is to mine essential minerals and metals, then this must lead to a better quality of life for its people. African citizens do not want their lands to become “sacrifice zones” for an energy transition largely taking place elsewhere, particularly while 53 percent of sub-Saharan Africa's population live without access to electricity.

These calls are now being echoed at the global level. The UN Secretary General's Panel on Critical Energy Transition Minerals has called for a “new paradigm rooted in equity and justice” in approaches to resourcing the energy transition. Achieving this requires a broad approach, with sustainable development fostered through fairer benefit sharing, value addition and economic diversification, underpinned by transparency, accountability and strengthened anti-corruption measures.

Corruption is a global problem. To tackle it effectively, different actors with leverage across the supply chain must act, from downstream companies whose products depend on African materials, to leaders of African nations looking to develop their minerals sectors. Below, we outline general recommendations for actors with influence over different decision points.

Yet, while corruption is global, it is also context specific. It manifests in a multitude of ways, reflecting the unique sociopolitical dynamics at play in a country or subnational region. For this reason, NRGi has developed tools to support anticorruption actors to better understand the specific challenges they face in the contexts they work in, and to develop tailored action plans to address the most pressing issues. Alongside the reforms set out below, a more customized approach can ensure that anticorruption actors are best equipped to take advantage of opportunities for change.

Recommendations for action:

- **African leaders** must prioritise strengthening anticorruption measures as a crucial pillar of their mining strategies, including:
 - Implementing measures to protect the integrity of the political process and civic space—such as regulations on lobbying, political donations and conflicts of interest—and protections of the rights to freedom of expression, assembly and association.
 - Embracing reforms that strengthen transparency, particularly surrounding contracts, beneficial ownership, payment, commodity trading and mineral export data. Governments should, at a minimum, implement the transparency provisions set out in the EITI Standard.
 - Investing in institutional and technical capacity to counter corruption and fraud in the minerals sector, including digitization measures.
 - Strengthening cross-border collaboration on anticorruption, including with regional partners and with destination and intermediary jurisdictions for stolen assets, and on synchronization of mining policies across the region.
- **Decision-makers in major market jurisdictions**, such as the U.S., the EU and China, should strengthen anticorruption action against companies based in their jurisdictions. This should include taking robust enforcement action when allegations of wrongdoing emerge about the conduct of upstream companies, and enacting laws on mandatory corporate due diligence, which address corruption risks to hold downstream companies accountable for their supply chains.

- The **African Union and the African Development Bank** should openly discuss corruption risks in their mining strategies, analyses and other publications. The recently published *Africa Green Minerals Strategy* did not explicitly address the topic of corruption, which should be addressed in a future review of the strategy. The African Development Bank should consider including anticorruption safeguards, such as contract transparency and beneficial ownership disclosure, as conditions for future mining-sector investments, and the African Union could consider calling for—and supporting—a continent-wide beneficial ownership register.
 - Reviewing and strengthening anticorruption procedures in response to a heightened risk environment should be a key priority for **mining companies**. Companies should develop explicit plans for identifying, preventing and mitigating corruption risks at specific stages of the value chain where mining-sector corruption regularly occurs, including: the award of licenses, permits and approvals; the procurement of goods and services; in relationships with SOEs; commodity sales and trading, and revenue distribution.
 - Alongside the above measures, **state-owned mining companies** should adopt and publicly announce governance practices that demonstrate a commitment to operating with integrity; reduce and, where possible, prevent the use of high-risk agents by potential business partners; avoid conflicts of interest and the inappropriate participation of politically exposed persons among third parties; safeguard finances from misappropriation; and evaluate joint venture anticorruption systems against a set of principles, to inform adoption of measures to address any identified shortcomings.
- **Downstream companies with supply chains in Africa** should undertake risk-based due diligence to identify, prevent and mitigate risks of corruption deeper in the supply chain, in line with recommendations set out by the [OECD](#). For example, battery and vehicle companies should conduct due diligence on the mining companies and traders from which they source their minerals, including where artisanal and small-scale mining is involved.
- **Investors** should ensure that any standards they rely on to make their assessment of company performance include robust anticorruption provisions, in line with [best practice](#). Investors should also have clear guidance and mechanisms—such as disclosures, engagement, and exclusion criteria—to ensure accountability if companies fail to meet expectations. In their review of national policies, investors should expect to see evidence of the effective implementation of the policies outlined above, such as protections for civic space; transparency requirements and the enforcement of anticorruption laws.
- The **donor community** should increase its support to anticorruption actors in mineral-rich African countries, particularly civil society actors and independent media who play an essential, but at times dangerous, role in uncovering corruption cases and holding those with power to account.
- **Civil society organizations** in mining countries should create and sustain effective collaboration with their peers in destination countries to strengthen end-to-end transparency and accountability. Civil society organizations should ensure that social and environmental rights are at the center of mining decisions; they have an important role to play in empowering communities in this work and developing their capacity to engage effectively in decisions that impact them. However, civil society organizations can only carry out this work if they can operate freely and with sufficient resources.

About the authors

Susannah Fitzgerald is a governance officer at NRG. Aaron Sayne is the sustainable energy supply lead at NRG. Mohamed Cisse is the Guinea Program Officer at NRG. Moise Liboto Makuta is the Country Manager, Democratic Republic of the Congo (DRC) at NRG..

Acknowledgments

The authors thank Alexandra Malmqvist, Damilare Ogunmowo, David Tennant-Eyles (Amplify Creative) and Stephanie Debere for their support editing and designing this report. The authors also thank colleagues across NRG, in particular: Abdoulaye Ba, Denis Gyeyir, Silas Olan'g, Nafi Quarshie, Matthieu Salomon and Erica Westenberg, as well as our colleagues in the fundraising, finance and human resources teams.

About NRG

The Natural Resource Governance Institute is an independent, non-profit organization that supports informed, inclusive decision-making about natural resources and the energy transition. We partner with reformers in government and civil society to design and implement just policies based on evidence and the priorities of citizens in resource-rich developing countries. Learn more at www.resourcegovernance.org