# Europe's CRMs midstream gap:

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**Europe's CRMs midstream gap: Strategic cooperation with Southern Africa on critical mineral value chains**The economies of the European Union (EU) require processed and refined minerals for its high-tech industries in sectors such as batteries, EVs, the green sector, and the defence industry. The EU's Critical Minerals Act aims for 10% of the extraction, 40% of production, and 25% of recycling of critical raw materials (CRMs) to be done locally in the European Union (European Commission [EC], 2024). Furthermore, it aims for no more than 65% of its consumption to be from a single third country (EC, 2024). In short, the fact that disruption in the supply chain during crises would pose a large strategic problem for the European states, Europe seeks to diversify away from China. As Europe scours

the world for alternatives, Sub-Saharan African states may come to mind as an important partner to secure the upstream of the supply line. However, there is a rare opportunity to go beyond extractivist logics of cooperation between Europe and Southern African states based on a strategic incentive for equal partnership. Europe must move beyond focusing on the upstream and start investing in Southern African value addition.

**Strategic incentives for equal cooperation**Sub-Saharan Africa continues to be an important source for the world's supply of CRMs (Neema, 2025). Southern African states like the DRC, South Africa, and Zambia are key areas for extracting CRMs, and the investment in infrastructure projects like the Lobito corridor signals Western interest in these CRMs (Karkare & Byiers, 2025). However, mineral extraction has large negative externalities for Southern African economies, such as environmental degradation, the distortion of incentives for good governance, and extremely rough labour conditions (Logan & Acheampong, 2025). Due to these factors, several Southern African states, such as Namibia, Zambia, and Botswana, are motivated to shift their economies away from upstream mineral extraction to the midstream of the supply chain: refining and processing of the CRMs that are being extracted (Logan & Acheampong, 2025; Reuters, 2025).

The midstream stage of critical minerals is almost exclusively done by China (Girardi, Patrahau, Cisco & Rademaker, 2023). If the European Union wishes to diversify away from China, it is going to have to find other ways to refine and process critical materials. Not all this capacity is going to be able to be reshored to the EU. Thus, the diversification effort by the West and the willingness of Southern African states to enter the midstream area of the supply chain create a rare strategic incentive overlap for Europe and some Southern African states. Europe wants a secure supply of processed and refined critical minerals that it can use in the high-tech industry, and Southern African states want industrialisation and competitiveness in the midstream of the supply chain (Logan & Acheampong, 2025). There is a strategically compelling case for cooperation.

If Western powers focus their efforts on enabling Southern African countries to develop processing plants and other midstream infrastructure, they could build a genuine partnership and mutual dependencies without engaging in direct neo-imperialist foreign policy. Zambia, Namibia, and Botswana are the best venues for this. These states have a relatively high level of institutional capacity and good governance track records, enabling long-term investments (Schulze, 2025; Africa Maval, 2023, pp. 43-52; Logan & Acheampong, 2025). These states have been relatively peaceful, and armed conflict is unlikely to significantly affect infrastructure investments. Cooperation on industrial policy in this region would not only allow Europe to further diversify its midstream of its supply chains, but it would also work in tandem with existing infrastructure projects such as the Lobito corridor that currently benefit primarily Chinese firms (Karkare & Byiers, 2025).

However, European policy in this region is bound to fail if it keeps seeing cooperation in Southern Africa in terms of development instead of through the lens of a security strategy. Structural competition with China not only hardens the EU's ability to gain refined materials from China, but it also forces Europe to confront the fact that African states have an alternative to the West now. Failing to cater to African needs means that African states will continue to pivot towards China; if African states have to choose between an asymmetric dependency with the West or with China, they will choose China.

**Towards equal cooperation**Any successful cooperation policy regarding value addition in this region should be based on the relative strengths and weaknesses of each partner. Since the rise of China as an international economic actor, comparisons between Western international economic policy projects and the One Belt One Road project are commonplace. However, the European Union does not have an overheating construction sector that can be exported to the rest of the world like China did. China aptly identified its own strengths and weaknesses and changed its foreign economic policy accordingly. Carbon copies of the One Belt One Road project are bound to fail because it does not take into account the structure in which cooperation takes place. European strength lies in the ability to finance and the access to technologies, research, and development (Logan & Acheampong, 2025). European weakness is its legacy of colonialism, focus on international development as paternalistic and linear, and its decentralised coordination structure (Karkare & Byiers, 2025).

Europe's policy regarding this region should be based on these factors. The first prong should be a partnership logic that provides an equality in benefits and ownership. With Western actors now attempting to rearm, it has a strategic interest in the region beyond mere extraction. Creating midstream capacity in Southern Africa could offset this problem. When Europe did not have a strategic interest in Southern Africa, its foreign economic policy often focused solely on material extraction, was short-term, and was unwilling to tailor to local needs (Logan & Acheampong, 2025). Strategic interest in establishing an equal relationship should result in a win-win relationship with a more considerate investment policy.

The second prong is investment in the structural constraints that drive up prices for firms investing in value addition in the region. Developing industry in the midstream of the supply chain cannot be done without investment to make sure that firms investing in the region can offer competitive prices on the world market (Logan & Acheampong, 2025). The two crucial areas where the European Union and other Western partners have to play the largest role are in investment in utilities and infrastructure like water, electricity, and transport, and the scarcity of high-skilled local workers (Logan & Acheampong, 2025). Here, the European Union has strengths: research collaboration and financing of infrastructure programmes. The EU should not wait for the market and has to move first: China has already begun

investment in the midstream of these countries (Karkare & Karaki, 2025). If it waits too long, it will be another chunk of the supply chain from which it will be locked out.

**No cooperation without implementation**The more structural reason why this has not happened so far is that the implementation and coordination of European actors is simply too fragmented. The European Commission and the EU member states have different and complex policies (Karkare & Karaki, 2025). EU processes and timelines remain unclear, implementation and financing are lacking (Logan & Acheampong, 2025), and the scope of seeing cooperation in this region as development shifts the focus away from geostrategic and industrial reasons for cooperation, which undercuts the idea that investing here is commercially viable. This leads firms to be risk-averse when deciding on investments in Southern Africa. The EU could solve this by moving first on de-risking tools, such as offtake agreements, partnering European SMEs with African firms, investing in civil society initiatives which could solve information problems, and infrastructure guarantees that make investments viable (Advisory Council on International Affairs, 2025; Logan & Acheampong, 2025; Karkare & Karaki, 2025). More importantly, it must align actors in foreign economic policy behind an industrial vision to signal credibility to both European firms as well as Southern African actors.

**Conclusion**There is a rare overlap in strategic incentives for Southern African states and European states. Southern Africa wants to develop midstream capabilities, has the governance that enables long-term investment, but needs finance and technology. Europe has finance and technology, but needs midstream supply for its rearmament process in light of the renewed Russian threat. Furthermore, the EU needs to take the lead on coordinating this effort. Seizing this moment requires Europe to treat Southern Africa not as a development recipient but as an indispensable strategic partner in securing resilient, mutually beneficial critical mineral value chains.

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