

# Insight into AfricaMaVal country case studies DRC

The Democratic Republic of the Congo is endowed with extensive resources of critical raw materials, including copper, cobalt, and lithium. As the country works to improve infrastructure and regulatory frameworks, it presents relevant opportunities for investments in the mining and processing sectors.



Copper, cobalt, lithium, tin, tantalum, germanium.



The Copperbelt (Haut Katanga-Lualaba) is the key mining area and there is potential for ECRM greenfield exploration elsewhere, for instance in Kasai. The eastern DRC is the key area for tantalum and tin, though the security situation is partly volatile.

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## COUNTRY OPPORTUNITIES AND GOVERNMENTAL INITIATIVES

### Enhancing ESG Standards:

The DRC has a modern Mining Code, which includes ESG-related processes, such as Environmental and Social Impact Assessments (ESIAs) and the collection of funds to serve local development. The country has also been an EITI member for many years. As a historic mining country, the DRC also hosts universities well experienced in mining-related skills development.

### Artisanal mining formalisation :

The DRC hosts Africa's largest ASM sector, producing different ECRM. While ASM sector formalisation continues to be challenging, the government has a legal and institutional framework in place to manage the sector. For example, SAEMAPE is in charge of registering artisanal miners and supporting cooperative structures.

### National exploration plan:

The DRC has defined six priority areas to expand exploration efforts, focusing on key minerals like copper, cobalt, nickel, lithium, tin, tungsten, tantalum, niobium, rare earths, phosphate, aluminium and vanadium.

### Increased domestic refining and processing:

The government has introduced policies to encourage local processing of minerals, adding value before export. Most of the copper and cobalt produced in the DRC is nowadays not exported as ore/concentrate but as refined metal or chemical product. The country also hosts a certified tin smelter in Lubumbashi and plans to establish a special economic zone for battery value chains.

### Tax incentives and favourable fiscal frameworks:

To attract foreign investment, the DRC offers tax incentives and investment-friendly policies for the mining sector, such as reduced income tax and exemptions on equipment imports. The DRC has already seen major investment in copper-cobalt mining over the past decade, substantially increasing metal output.

## CHALLENGES AND BARRIERS

### • Infrastructure gaps:

The development of the Lobito Corridor is set to significantly improve logistical access to the Copperbelt area in the south-eastern DRC. Infrastructure development in the eastern DRC lacks behind that in the Copperbelt, though. Despite the DRC's major potential for renewable energy through hydropower, the country currently faces an energy deficit which impacts on the mining sector.

### • Regulatory complexity and delays:

Navigating mining regulations and securing permits can be slow and the DRC continues to face major governance challenges. Re-negotiation of mining licenses and the state's revenue share takes time and the government may impose mineral export restrictions until a new agreement has been reached.

### • Environmental and social challenges:

Although the ESG-related regulatory framework in the DRC often seems adequate in theory, its practical enforcement is challenged by the lack of implementation capacities among government authorities as well as due to corruption risks. Environmental concerns are further accentuated by the fact that the DRC has decades of historic, poorly regulated mining activities that have left behind challenging environmental legacies. The conflict in the eastern DRC implies a high risk for human rights violations in the artisanal mining sector.