



UNDER THE HIGH PATRONAGE OF THE PRESIDENT OF THE DEMOCRATIC REPUBLIC OF THE CONGO  
**H.E. Mr. FELIX ANTOINE TSHISEKEDI TSHILOMBO,**  
 THE MINISTRY OF INDUSTRY

Is organizing the

# DRC-AFRICA BUSINESS FORUM 2021

► **FOSTERING THE DEVELOPMENT OF A BATTERY,  
 ELECTRIC VEHICLE AND RENEWABLE ENERGY  
 INDUSTRY VALUE CHAIN AND MARKET IN AFRICA**



**Date:** 24 - 25 November 2021  
**Place:** Kinshasa

# CONCEPT NOTE



## CONTEXT

On the margins of the 34th Ordinary Session of the African Union Summit, which brought the Democratic Republic of the Congo (DRC) to the chairpersonship of the organization, the United Nations Economic Commission for Africa (ECA) organized the 4th Edition of the Africa Business Forum on February 8, 2021. The agenda of this event featured a discussion around innovative financing to leverage energy and economic diversification for Africa's development, with a particular focus on DRC.

The global transition towards green energy and rapid decarbonization holds significant opportunities for Africa. It has spurred the demand for electric vehicles and investment in battery-powered storage systems, which is expanding the deployment of solar and wind energy, particular. Thanks to its endowment in natural resources and especially strategic minerals that are components of lithium-ion batteries, the Democratic Republic of the Congo can play a key role in global energy transition regarding energy storage and electric mobility.

The Democratic Republic of the Congo accounts for nearly 70% of the world's cobalt production, with an annual supply of about 100,000 tons (source: BloombergNEF). The country has more than 25 million tons of cobalt reserves identified in its subsoil, i.e. 2/3 of the identified world reserves. In addition to cobalt in DRC, the African continent is endowed with significant reserves of manganese, graphite, copper, and other minerals which are components of the lithium-ion batteries therefore creating the possibility of a robust regional value chain for batteries, electric vehicles, and renewable energy.

The especially rich cobalt endowments of DRC offer an opportunity for Africa to be at the heart of the dynamic battery value chain, the electric vehicle revolution, and renewable energy deployment. However, as a commodity exporter still locked in the mining and mineral processing stage, DRC is at the bottom of the global battery and electric vehicle value chain, currently capturing only 3% of a total global value that is expected to reach US\$ 8.8 trillion by 2025 (source: BloombergNEF). Besides, DRC's GDP of US\$50.4 billion in 2019 represents only 6.15% of Tesla's market capitalization of US\$820 billion as of January 8, 2021. Moreover, like many other resource rich African economies, DRC's economy is volatile and constantly exposed to price shocks due to global dynamics that it cannot control.

To break this vicious cycle and go up in the ladder of global value chains, DRC as well as other African producers of battery minerals have to improve the linkages between the extractive sector and other sectors of the local economy, localize the procurement value chain and promote resource-driven industrialization, including the production of battery precursors (US\$271 billion by 2025), battery cells (US\$387 billion by 2025),



cell assembling (US\$1.18 trillion by 2025), and, ultimately, electric vehicles (US\$ 7 trillion by 2025) (source: BloombergNEF). Better integration of African battery mineral producers into global value chains will not only contribute to the achievement of the SDGs and enlarge the share of wealth that is retained locally but also strengthen the competitiveness of local SMEs, and enable the creation of decent jobs for the youth.

It is therefore important for African countries to break the vicious cycle stemming from excessive dependence on the export of natural resources, by creating more value on the continent, strengthening productive capabilities, and expanding exports and intra-African trade through the AfCFTA.

In parallel and moving forward, creating more value, and strengthening productive capabilities would have to take into account the need to create relevant skills and competences, including through technical and vocational education and training (TVET) and national suppliers' development programmes. DRC and Africa's often cited demographic dividend, the aspirations of its youth and the skill requirements of the economy - all hinge on well-functioning skills development programmes, which should be a key national priority. Effective labour market transition must include initiatives for anticipating and addressing emerging skills and competency needs as well as improving employment linkages and fostering the emergence of capable, competent, and competitive local suppliers of goods and services, including small and medium-scale enterprises, linking local content policies, licensing and contracts, entrepreneurship development and TVET programs accordingly for better outcomes.





The emergence of a competitive battery, electric car and renewable energy value chain in Africa is an effective way of augmenting the number of better-paying and higher-skilled jobs in regions dominated by mining activities; and strengthening the resilience of local economies. This will reduce poverty and improve the welfare of the population - especially vulnerable groups such as youth, once they are trained and get the relevant skills set.

The investments needed for substantially increasing Africa's share of the global value chain of batteries, electric vehicles, and renewable energy are far beyond what public resources could provide. Private sector, particularly African private sector, investments will be essential to climb up the ladder in these important value chains. But this will only happen when there is a concerted effort to improve governance of extractive resources, especially in the areas of transparency in business processes relating to establishment of such enterprises, addressing challenges relating to ASM in the strategic minerals sector among others.

Africa's private sector and entrepreneurs have been transformative in the development of sectors such as mobile telecommunications which have leapfrogged on the continent. The same needs to happen in the battery, electric vehicles, and renewable energy sectors. The challenges, opportunities, and pathways to achieving this, need to be clarified.

However, in order to participate effectively in the automotive industry, in particular, the battery and electric vehicles value chain, DRC or any other African country needs to have an effective national automotive policy and programme. This is key in terms of aligning trade, industrialisation, investment policies and developing the requisite infrastructure to attract investments from original equipment manufacturers and component suppliers to support the development of the automotive sector, especially the battery and electric vehicles industry. In this case, the battery value chain studies of the African Development Bank could serve as inputs in developing further studies (pre-feasibility) for manufacturing battery precursors in Africa. It is also important to take into account some of the initiatives in the African automotive industry being driven by the African Association of Automotive Manufacturers (AAAM) in collaboration with Afreximbank, AfCFTA Secretariat and AU to develop a viable automotive industry using a regional value chain approach under the Pan-African Auto Pact.

## OBJECTIVE

The main objective of the DRC Business Forum on "Fostering the development of a battery, electric vehicle and renewable energy value chain and market in Africa" is to bring together African governments, Africa's private sector and entrepreneurs, development partners, institutional investors, dealmakers, industrialists and foreign private sector with the view to dialoguing, identifying opportunities and facilitating investments to increase Africa's share of the battery, electric vehicles and renewable energy value chain.

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## EXPECTED PARTICIPANTS

The DRC Business Forum is expected to attract high-level representatives of governments, the investment community, the automotive sector, industrialists, and other interested parties from Africa and beyond; especially those playing leading roles in the battery, electric vehicle, and renewable energy value chain, namely:

- African governments
- Mining companies: Gecamines, etc.
- Development banks: Africa Finance Corporation, AfreximBank, African Development Bank, World Bank, etc.
- Private financial institutions and pan-African banks
- FEC – Fédération des Entreprises du Congo
- African Business Networks: Makutano, etc.
- Chambre des Mines RDC
- Africa's business leaders and captains of industry
- Global industrialists in the battery, electric vehicles, and renewable energy sub-sectors: Johnson Matthey, Umicore, BASF, CATL, LG Chem, Panasonic, Tesla, BMW, etc.
- DRC authorities and relevant public institutions: Anapi, etc.
- Development partners
- Other International partners: The International Energy Agency, etc.
- The African Association of Automotive Manufacturers

## FORMAT OF THE EVENT

The DRC Business Forum will comprise plenary sessions, business to business roundtables, formal presentations from Africa's leading companies and investors, and (formal and informal) networking sessions.

## EXPECTED OUTCOMES

The DRC Business Forum will lead to the following.

1. The identification of business opportunities to build regional value chains on the battery, electric vehicles and renewable energy sub-sectors in DRC and other battery minerals producing countries in Africa.
2. Clear government enabling policies for project developers and financiers.
3. Articulated government support for facilitating investments in battery, electric vehicles, and renewable energy value chain in the DRC and Africa, in general.

