



MEMORANDUM OF UNDERSTANDING
ON A
PARTNERSHIP ON SUSTAINABLE RAW MATERIALS VALUE CHAINS
BETWEEN
THE EUROPEAN UNION REPRESENTED BY THE EUROPEAN COMMISSION
AND
THE REPUBLIC OF ZAMBIA

THIS MEMORANDUM OF UNDERSTANDING (hereinafter referred to as “MOU”) is made the 26th of October 2023 BETWEEN The European Union, hereinafter referred to as ‘EU’ represented by the European Commission and the Republic of Zambia, hereinafter referred to as ‘Zambia’, of the other part, hereinafter jointly referred to as the “Sides” and in the singular as “Side”.

1. Preamble

Grounded on the common interests to deepen their cooperation without creating a legally binding framework, the EU and Zambia (hereinafter referred to as the Sides, or individually as a Side) agree to establish a partnership on sustainable raw materials value chains.

Securing the supply of strategic and critical raw materials (CRMs) in a sustainable manner, is an essential prerequisite for ensuring the green transition. The availability of strategic and critical raw materials, such as copper, lithium, cobalt, manganese and natural graphite for batteries, or rare earth elements for permanent magnets for wind turbines, electric motors or computer data storage devices, represents an enabling factor for: decarbonising energy production, connectivity, and mobility, while promoting green and digital economic transformation. Furthermore, strategic and critical raw materials are in increasing demand in most of the key industrial ecosystems and the EU is committed to enhance its cooperation with partner countries by stimulating sustainable investment in their value chains¹.

The Sides are committed to sustainable development, local value addition, and to respecting each others’ right to extend the raw materials and net-zero technologies² value chains within

1 COM (2023) 165 final – A secure and sustainable supply of critical raw materials in support of the twin transition

2 COM(2023) 62 final - A Green Deal Industrial Plan for the Net-Zero Age

their countries. In this respect, the EU acknowledges and supports Zambia's ambition to develop local transformation capacities for battery minerals in cooperation with other African neighbours.

Increased extraction and transformation of strategic and critical raw materials, as well as the development of related value chains³, needs to be coupled with strong commitments on environmental, social and governance (ESG) standards, notably concerning transparency, traceability and the contribution to peace and stability in the region.

The EU and Zambia are committed to working together along the entire minerals value chain furthering the industrialisation of the country as outlined in the 8th National Development Plan (8NDP)⁴, the Zambia's Vision 2030⁵, the National Industrial Policy⁶, the National Mineral Resources Development Policy, as well as the SADC Protocol on Industry⁷, and the future SADC Circular Economy Strategy.

2. Political context

Zambia's economy is mainly based on export of minerals, most notably copper and cobalt, as well as gold, zinc, lead and more. At the end of 2020, mining accounted for 12% of Zambia's GDP and provided about 70% of foreign exchange earnings.

Improving the sustainability of the extractive industry and developing processing and refining, recovery and recycling capacities locally has the potential to underpin sustainable, clean and inclusive economic growth, domestic resource mobilisation and development, deepen direct linkages with the rest of the economy and enable transformation and economic diversification in Zambia.

Zambia can capitalize on its unique competitive advantage of having a wide range of strategic and critical raw materials to attract sustainable investments to diversify mineral production and increase mineral processing and recycling activities. Ensuring a strict implementation of the beneficiation strategy will result in direct benefits for Zambian citizens, through decent and more qualified job creation, skills development, technology transfer and economic diversification, thereby providing a better quality of life and reducing poverty levels within Zambian society.

Securing access to resources is a strategic security endeavour for the European Union's ambition to deliver on the sustainable energy and circular economy objectives, set out in the European Green Deal⁸. The new European Industrial Strategy proposes to reinforce the European Union's autonomy by promoting diversified and undistorted access to global markets for raw materials.

³ Activities under the raw materials value chains will include the exploration, extraction, processing, refining, recycling, end product value addition, recovery and recycling, reusing, remanufacturing, including activities relating to the marketing and distribution of such products or its derivatives.

⁴ 8NDP – Government of the Republic of Zambia

⁵ Zambia's Vision 2030

⁶ Zambia's National Industrial Policy (2018)

⁷ Protocol on Industry - English - 2019.pdf (sadc.int)

⁸ COM(2019) 640 final – The European Green Deal

The Communication ‘Towards a comprehensive Strategy with Africa’ adopted in early 2020 recognises the need for enhanced cooperation between the EU and Africa to develop a responsible raw materials sector, to promote secure and clean industrial value chains, while respecting ambitious environmental and climate standards.

In its 2023 proposal for a European Critical Raw Materials Act⁹, the European Union committed to develop strategic international partnerships and make financial resources available to secure a diversified and sustainable supply of critical raw materials. Likewise, under its Circular Economy Action Plan, the European Union aims to provide a global impetus for initiatives related to the circular economy transition, resource efficiency and sustainable consumption and production¹⁰.

3. Objective

The overall objectives of this partnership are:

- to develop a closer economic and industrial integration of the Sides in sustainable value chain of raw materials by identifying and jointly develop innovative and sustainable and responsible raw materials value chains projects by facilitating business opportunities, deploying financial support, investment de-risking instruments;
- to advance the value, security, and sustainability of trade and investment into resilient raw materials value chains, both upstream and downstream across both the EU and Zambia;
- to promote and invest in circular economy value chains for the recycling, reusing and remanufacturing of CRMs, including through technology transfer between the European Union and Zambia.
- to promote the alignment of sustainable raw materials value chains developed between the EU and Zambia with internationally agreed principles and guidelines for environmental, social and governance (ESG) standards;
- cooperation on skills, capacity building and competences necessary for the development of sustainable raw materials value chains, including the promotion of the most sustainable extraction and transformation practices, and circular economy;
- to facilitate closer cooperation on research and innovation along the raw materials value chain, including advanced exploration, earth observation, innovative extractive, processing, refining and recycling technologies;

4. Scope of the partnership and areas covered

The partnership covers non-energy and non-agriculture raw materials along the entire value chain (exploration, extraction, processing, refining, end product value addition, recovery and recycling). The partnership has the primary focus on strategic and critical raw materials¹¹, as per the EU’s current definition or its future updates.

⁹ COM(2023)160 final of 16.03.2023

¹⁰ [Global Alliance on Circular Economy and Resource Efficiency](#)

¹¹ COM(2020) 474 - Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability

This Memorandum envisages to set the framework for shared commitments to enhance cooperation in the field of raw materials value chains for the clean energy transition in the following five (5) areas of collaboration:

- Integration of sustainable raw materials value chains, including networking, joint development of projects (e.g. via joint ventures), creation of new business models and promotion and facilitation of trade and investment linkages, ensuring the well-functioning, sustainability and resilience of these raw materials value chains;
- Mobilisation of funding for development of infrastructure required for the development of raw materials value chain;
- Cooperation to achieve sustainable and responsible production and sourcing of raw materials, including through increased due diligence and traceability, fight against illegal trafficking of raw materials and align with international Environmental, Social and Governance (ESG) standards;
- Cooperation on research and innovation and sharing of knowledge and technologies related to sustainable exploration, extraction, processing and recycling of CRMs, substitution of CRMs and monitoring of supply risks;
- Building of capacity to enforce relevant rules, increasing training and skills development related to the CRM value chain.

5. Implementation and monitoring

Within 6 months from the signature of this Memorandum, the Sides agree to develop a Strategic Partnership Roadmap (the Roadmap). The Roadmap aims to identify concrete actions for cooperation agreed by the European Union and Zambia, along the five pillars identified above. It should engage stakeholders from both Sides and identify the leading organisations to implement each action.

The Sides intend to monitor the implementation of the Roadmap through a dedicated Working Group consisting of senior officials. The Sides intend to organise a regular annual meeting to take stock of the Partnership progress, discuss possible new strategic collaboration directions and endorse the Roadmap for the upcoming period. The Sides, may, by mutual agreement, propose a Ministerial level meeting for strategic matters.

The Working Group should report and refer to Art.8 of the Political Dialogue between the the EU¹² and Zambia and subsequently the partnership dialogue under the successor Partnership Agreement between the European Union and members of the Organisation of African, Caribbean and Pacific States (OACPS).

6. Status of the Partnership

¹² Council Decision (EU) 2017/435 of 28 February 2017 on the conclusion of the Agreement amending for the second time the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000, as first amended in Luxembourg on 25 June 2005 (OJ L 67, 14.3.2017, pp. 31-32)

The partnership is not intended to create rights or obligations under international or domestic law. In particular, nothing in this partnership represents a commitment of financing on the part of either side.

Furthermore, this Memorandum does not intend to represent any commitment from either side to give preferred treatment to the other side in any matter contained herein or otherwise.

The implementation of this Memorandum and any other activity hereunder is to be in accordance with each Side's domestic laws, regulations, policies and procedures, as well as each Side's international obligations.

In the process of implementing the Roadmap, the Sides intend to ensure mutual protection of each other's interests including of information that is confidential for the public authorities and companies concerned.

The activities described in this Memorandum are to commence on the day after it has been signed by both Sides.

Signed in Brussels in two original copies in English, both having equal validity.

For the European Union



Jutta Urpilainen

Commissioner for International Partnerships

For the Republic of Zambia



Dr. Situmbeko Musokotwane

Minister of Finance and National Planning