Early Warning System

AFDB-P-MR-B00-007

Mauritania - Corporate Loan to Societe Nationale Industrielle et Miniere (SNIM)

Mauritania - Corporate Loan to Societe Nationale Industrielle et Miniere (SNIM)

Quick Facts

Countries	Mauritania
Specific Location	Tiris Zemour region, north of Mauritania
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-11-28
Borrower	SNIM - Société Nationale Industrielle et Minière
Sectors	Energy, Industry and Trade, Infrastructure, Mining, Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 145.93 million
Loan Amount (USD)	$ 145.93 million

Project Description

As stated by the AfDB, the project aims to double the railroad's nominal capacity, through: i) the acquisition of additional rolling stock, ii) the construction of maintenance facilities and the acquisition of related equipment, iii) the construction of additional sidings and iv) the construction of additional tracks, including station tracks, connections to maintenance sites and production sites. In addition, the project includes the installation of a photovoltaic solar power plant. The project also includes the installation of a 12 MW photovoltaic solar power plant. Finally, the Bank will provide SNIM with technical assistance for climate change risk assessment (CCRA), to help it prepare for the impact of climate change.

Mauritania is rich in mineral resources, including relatively easy-to-mineralize, high-quality iron ore reserves estimated at 10 billion tonnes. The country has been able to capitalize on these resources thanks to Société Nationale Industrielle et Minière (SNIM), an independent state-owned iron ore mining company. Operating for over 61 years, SNIM has gone from strength to strength, becoming the continent's second-largest iron ore producer. The company makes a significant contribution to the Mauritanian economy, generating around 9% of GDP, 14% of government revenue and 37% of the value of exports in 2023. It directly employs around 6,750 people, almost all of whom were recruited from school and trained by SNIM, and indirectly employs almost 4,100 people, testifying to its considerable social impact in the region. A partner of the Bank since 1978, SNIM has benefited from seven financings, the most recent in 2017.Over the next few years, SNIM will develop projects that will enable it to double its iron ore production capacity by 2030 and capture a greater share of the value chain ,starting with the production of iron ore pellets, a product whose demand is growing as the steel industry moves towards cleaner processes. This increase in production requires an increase in the company's logistics capacity. The project primely contributes towards climate mitigation result. As such 100% of the total approval is attributed as climate finance, out of which 100% is mitigation finance.

The project is expected to generate additional revenue, mainly in dividends for the Mauritanian government. Indeed, this logistical expansion capacity project will increase the volume of transported iron ore by SNIM through the additional iron ore produced by SNIM, directly and indirectly via partnerships with other companies. This is expected to impact its profits first and then its dividends. The incremental government revenues because of the project are estimated to be significant over the project life time. Household benefits. The project is expected to create jobs during both the construction and the operation and maintenance phases. It is expected to generate 5 full-time equivalent (FTE) jobs during the construction phase and 300 FTE jobs during the operation phases of the constructed maintenance facility, which correspond to a total of 305 FTE jobs to be created over the assessment period, 10% of these jobs will be for woman. Private sector development. The Project will allow SNIM to increase the efficiency of its logistics operations via economies of scale and efficiency gains, through the addition of larger wagons and newer locomotives, resulting in an approximate 10% fuel efficiency gain. It is expected that the Project will improve the competitiveness of SNIM further cementing its position as investors can tap into Mauritania’s mining sector, especially with proper risk management and sustainable approaches

Early Warning System Project Analysis

Across Mauritania, operations linked to Société Nationale Industrielle et Minière (SNIM) have been associated with recurring labour, environmental, and social risks shaped by both company practices and broader governance gaps. Workers across mining sites have reported wage disputes, poor working conditions, and precarious subcontracting arrangements, with large-scale strikes (notably in 2015) highlighting dismissals and alleged non-payment of wages (The New Arab; Wikipedia). Protests since at least 2012 have also raised concerns about lack of social protections and exploitative labour dynamics (Global Voices). At the community level, SNIM's role in providing and controlling infrastructure has contributed to stark inequalities in access to water and electricity between employees and surrounding populations (World Bank Mining Reform Report). Environmental risks reported in relation to SNIM's operations include unsustainable groundwater extraction and the discharge of untreated wastewater, compounded by weak environmental oversight across the mining sector (World Bank; UNECE Environmental Performance Review).

Investment Description

- African Development Bank (AFDB)

Private Actors Description

As stated on the company's LinkedIn profile, Société Nationale Industrielle et Minière (SNIM) is a Mauritanian company, operating in the research, exploitation, processing, transport and export of iron ore. Its deposits are located in the Tiris Zemour region, in the north of Mauritania. SNIM fully manages its chain of operations: geological research, mining, maintenance, water and electricity production, iron ore transport, operation of the loading port in Nouadhibou.

Mauritania - Corporate Loan to Societe Nationale Industrielle et Miniere (SNIM)

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Société Nationale Industrielle et Minière (SNIM)	Client	Mining

Contact Information

AfDB Team Leader:

Yves Laurent Didier WITHOFS - Investment Off./Renewable Energy, PERN3
Email: y.withofs@afdb.org

ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents. Under the AfDBÕs Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: https://www.afdb.org/en/independent-review-mechanism/

Bank Documents

- Appraisal Report
- Environmental Study
- WB Mining Reform Report for Mauritiana 2008

Government Documents

- UNECE Environment Performance Review Mauritiana

Media

- Mauritiana Miners Strike for Justice
- Mining Workers Protest Slavery by SNIM