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Features

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Caution urged as Chinese AI takes root
Trump and Nigeria: on the rocks
Tanzania's violent poll sparks growth fears

Interview

Nigeria's fuel king Femi Otedola

Special Reports

South Africa's G20 triumph
Mining: Inside Simandou

A DROP IN THE OCEAN

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Contents



- Business Intelligence**
- 4 News and deals around Africa
- Cover story:**
- Africa's blue economy**
- 8 What's the catch? Long-neglected fisheries look to the future
 - 14 Can blue carbon credits preserve Africa's coastal riches?
- Special report: South Africa's G20**
- 18 South Africa steers G20 to joint declaration without Trump
 - 20 Neville Matjie: South Africa triumphs in G20 presidency
 - 22 Private sector makes voice heard at Johannesburg B20 meeting
 - 24 Johannesburg at its best as it welcomed the world
 - 26 G20 helps to drive Africa's economic priorities
 - 28 **Opinion:** A new centre of gravity: the rise of Africa's global voice
- Features**
- 16 Mixed results for Africa in Belém as Brazil's COP30 concludes
 - 30 Europe courts Africa anew at Luanda summit
 - 32 **Opinion:** Europe and Africa must move beyond colonial-era trade
 - 34 **Interview:** Nigerian fuel king Femi Otedola takes on the power deficit
 - 38 **Interview:** Afreximbank's Kanayo Awani on her mission to boost intra-African trade
 - 40 Caution urged as Chinese AI takes root in Africa
 - 42 Africa gets to grips with crypto as Kenya and Ghana legislate
- 62 Nigeria wields ban in bid to beautify shea nut industry**
- 72 Renewables shift urged as North Africa's power demand surges**
- 78 Morocco hopes port development will boost regional growth**
- 80 Would-be philanthropists are steered to pursue profits**
- Focus on:**
- Mining in Africa**
- 44 Governments seek to find answer to age-old mining question
 - 50 Visiting Simandou: is Guinea's mining mega-project finally ready to roll?
 - 53 Can Simandou forge a new Guinean economy?
 - 56 Overthrow of Madagascan government complicates outlook
- Countryfiles**
- 86 Rule of law or revenge? Senegal graft crackdown divides opinion
 - 88 Nigeria pushes back against Trump claims
 - 90 Violent elections cast shadow over Tanzania's economic outlook
- Arts and culture**
- 92 Africa and Ukraine: art, sovereignty and solidarity
- Review**
- 96 **Thiam:** from business to politics – and back again?
- Editor's View**
- 98 South Africa delivered for the continent at the G20

Business Intelligence News

Nigerian tech founders cite ignorance of the listing process and currency issues, but others wonder if they are ready for increased scrutiny, reports Harry Clynch.

Nigerian tech founders are being deterred from listing on the local stock exchange because they do not understand how the listing process works, according to a report from Lagos-based law firm TLP Advisory.

The report finds that 53% of founders say they are not sufficiently aware of how the Nigerian Stock Exchange (NGX) listing process works. Only 21% would consider a listing at all – with many preferring to list abroad – and 46% would prefer to exit their investment via an acquisition.

“While some view NGX listing as theoretically viable,

they lack clarity on practical requirements, timelines, or pathways to get there. NGX’s limited engagement with the startup ecosystem deepens this challenge. None of the founders interviewed reported direct NGX outreach, educational sessions, or proactive communication about listing opportunities,” the report found.

The report says that an “awareness gap” between startups, investors, and the exchange needs to be fixed through “consistent outreach and engagement, such as roadshows, workshops, playbooks, and advisory support”.

“Educate founders on listing benefits and processes while equipping advisers and investors to engage more effectively with venture-backed companies,” the report advises.

Are founders ready for greater scrutiny?

But other experts warn that founders must be prepared for increased scrutiny if they are to consider listing. “Before advising the NGX, I would advise the startups and investors on how to build trust,” says Kayode Odeleye, managing partner at 23mile, which invests in distressed venture-backed startups.

“The first thing is to stop the approach of “fake it till you make it.” Investors need to be more transparent, drive transparency with their startups, and ensure their financial reports mean something. They need to be disciplined and ready to face scrutiny very early on.”

Odeleye said that skewed valuations for Nigerian startups make listings unrealistic. “First is the global problem of a valuation mismatch. Over the 10-year period when there was a lot of capital, we saw startups raise money at ridiculous valuations. Startups with next to no revenue in naira were being valued at \$50m by VC investors who focused only on selling to the next person. The challenge locally and globally is that valuation mismatch where a startup valued at \$50m at the last round could be worth only one-

tenth or one-fifth of that if they tried to list. Listing at \$10m after raising at a \$50m valuation wipes out existing investors.”

Startups point to currency issues

More than two-thirds of the startups surveyed said that “currency and foreign exchange mismatches” were the main things preventing them from listing on the NGX, which is denominated in the local naira currency.

This is because most startups backed by international investors have the US dollar as their accounting currency and therefore also need to list in the same currency. The recent instability of the naira – which has lost more than 65% of its value since being freely floated back in 2023 – means that listing in the local currency gives rise to exchange rate risks.

The report recommends strengthening local capital sources to reduce dollar dependence and exposure to exchange rate risks.

The relatively limited liquidity of the NGX – which has a market capitalisation of around \$62bn compared to the \$28.3 trillion market capitalisation of the New York Stock Exchange (NYSE) – is also a concern for founders.

Nigerian fintechs face skewed valuations and exchange awareness gap



Business Intelligence News

Trump says South Africa will be barred from next year's G20

Trump said that South Africa will not be invited to the 2026 G20 at his Miami resort as tensions spiral following his Johannesburg boycott, reports David Thomas.

Donald Trump says that South Africa will be barred from next year's G20 Summit in the United States – due to be held at his own golf resort in Miami – as tensions between the countries spilled over in the wake of this year's summit in Johannesburg.

Trump's administration boycotted the November G20 summit, making the US the only member state not to have a high-level presence in Johannesburg (see page 18).

The Summit went ahead, with leaders from around the world signing up to a closing declaration which reflected President Cyril Ramaphosa's agenda to promote the interests of Africa and emerging nations on a range of issues from debt to climate change and critical minerals.

South Africa's increasingly assertive behaviour throughout the summit – both in organising the leaders' statement and refusing to make the official G20 handover to a junior US official – has enraged the US president further.

Writing on his "Truth Social" website, Trump repeated his slurs that the South African government is killing white people – but also tied the ban to the handover protocol dispute.

"At the conclusion of the G20, South Africa refused to hand off the G20 Presidency to a Senior Representative from our US Embassy, who attended the Closing Ceremony. Therefore, at my direction, South Africa will NOT be receiving an invitation to the 2026 G20, which will be hosted in the Great City of Miami, Florida next year. South Africa has demonstrated to the World they are not a country worthy of Membership anywhere, and we are going to stop all

payments and subsidies to them, effective immediately."

Next year's G20 is scheduled to be held at Trump's National Doral Miami golf resort, leading to allegations that the President is attempting to profit from the office.

Ramaphosa hits back

In response, Ramaphosa insisted that the US has no right to bar South Africa from the multilateral forum and said that Trump "continues to apply punitive measures against South Africa based on misinformation and distortions".

"South Africa is a member of the G20 in its own name and right. Its G20 membership is at the behest of all other members. South Africa is a sovereign constitutional democratic country and does not appreciate insults

from another country about its membership and worth in participating in global platforms.

"South Africa will continue to participate as a full, active and constructive member of the G20. We call on members of the G20 to reaffirm its continued operation in the spirit of multilateralism, based on consensus, with all members participating on an equal footing in all of its structures."

Regarding the handover dispute, Ramaphosa said that instruments of the G20 presidency were "duly handed over" to a US embassy official. Ramaphosa also highlighted the fact that US businesses and civil society organisations had "participated in large numbers" in G20-related activities like the B20 business forum.

In a post on X (formerly Twitter), Clayson Monyela, South Africa's head of public diplomacy, said the G20 itself was at risk if Trump's threats are allowed to materialise: "#SouthAfrica is a founding member of the G20. We don't get invited to G20 meetings & leaders' summit. Those are gatherings of members. If other members allow this, then the G20 will die. SA is a G20 Troika member (outgone, current & incoming Presidency)."

South African President Cyril Ramaphosa speaks with Ursula Von der Leyen, president of the EU Commission, at the G20 Leaders' Summit.



Business Intelligence Deals

The US Department of State is awarding \$150m to drone delivery firm Zipline “to support the expansion of its life-saving artificial intelligence and robotics infrastructure across Africa”. The deal is under a new “pay-for-performance model” under which the funds will be released only when African governments sign expansion contracts and commit to ongoing operating costs. Rwanda is expected to be the first country to expand under the new award, with further expansions expected in Côte d’Ivoire, Kenya and Nigeria. Zipline, which delivers blood and medicines to healthcare facilities via drone, says the expanded services will reach more than 130m Africans, tripling the number of health facilities Zipline serves to 15,000 and supporting the creation of more than 800 high-skilled jobs in Africa in logistics, health systems, and advanced engineering in robotics and artificial intelligence.

Fintech CashPlus floats \$82m of shares on Moroccan exchange

Moroccan fintech CashPlus has secured approval to list on the Casablanca Stock Exchange in a planned 750m dirham (\$82m) initial public offering. CashPlus – which has approximately 2m daily users in Morocco and net profits last year of \$23.5m – will float 3.8m shares priced at 200 dirhams (\$22), a 15.5% stake. It offers services including money transfers, bill and tax payments, currency exchange and parcel delivery through a network of physical branches and a mobile app. The bulk of the share offering will be reserved for institutional investors and high-net worth individuals, with 38% allocated to the general public.

Spiro gets \$75m e-bike investment from Afreximbank

The Fund for Export Development in Africa, the development equity impact investment arm of Afreximbank, has announced a \$75m investment in Spiro, an electric two-wheel assembler in Africa and manager of battery swapping infrastructure. Nairobi-headquartered Spiro says it operates over 1,200 battery swapping stations and has more than 60,000 electric motorbikes in circulation. “With this partnership, the Bank is laying the groundwork for a new era of intra-African trade and industrialisation by stimulating local vehicle manufacturing, strengthening regional integration and enhancing trade flows,” said Afreximbank President George Elombi.

JPMorgan returns to Angolan market despite grey list status

The global investment bank JPMorgan has confirmed it will provide dollar clearing services in Angola, becoming the first US bank to return to offering the service in Luanda after a decade-long absence from the local market. Most major banks stopped providing Angola with dollar clearing services – which allow domestic banks to settle transactions involving US dollars – about a decade ago over concerns that endemic corruption would make it difficult for foreign institutions to comply with anti-money laundering and other compliance regulations. While the Angolan market still presents risks for global banks – in October 2024 the Financial Action Task Force (FATF) placed the country on its “grey list”, meaning it is subject to increased monitoring for illicit financial flows – JPMorgan’s re-entry into the market suggests international players may be gaining confidence in Angola’s reform efforts.

US launches new ‘pay-for-performance’ award model for drone firm

Zipline founder Keller Rinaudo, alongside Rwandan President Paul Kagame during a test.



Business Intelligence Deals

France's development agency AFD is to lend €300m (\$347m) to South African state-owned ports and railway operator Transnet to support its switch to net zero emissions. AFD said that disbursements will be tied to progress on strategic targets at Transnet. These include diversifying into transition minerals and increasing its purchase of renewable electricity to 300 GWh per year – equivalent to 20% of Transnet's electricity needs. The French contribution will aim to promote a shift from road transport to rail, including the rehabilitation of 550 km of railway. It will also support the modernisation of port infrastructure.

United Arab Emirates offers \$1bn for AI development in Africa

The United Arab Emirates (UAE) has launched an "AI for Development" initiative, worth \$1bn, to support and finance artificial intelligence projects in African countries. The initiative aims to advance economic and social development across the continent by developing digital infrastructure, enhancing government services and improving productivity. It will be implemented by Abu Dhabi Exports Office, the export financing arm of the Abu Dhabi Fund for Development, in cooperation with the UAE Foreign Aid Agency, Sheikh Khaled bin Mohamed bin Zayed Al Nahyan, crown prince of Abu Dhabi, announced at the G20 Summit.

Ethiopia launches first securities depository and investor portal

Ethiopia's central bank has unveiled the country's first Central Securities Depository (CSD) alongside a national investor portal known as "Ts'ega", as it continues to modernise its financial markets following the launch of the Ethiopian Securities Exchange (ESX) in January this year. CSDs are a vital piece of infrastructure for modern exchanges as they underpin the security of financial assets. After trades on the exchange have been completed, CSDs ensure a smooth and secure transfer of assets to the new owners, while also offering transparent reporting of clearing and settlement. Meanwhile, the Ts'ega investor portal has been launched as Ethiopia's first digital platform that gives individual investors direct access to information about the securities they have been trading.

Nigeria gets \$500m loan for economic governance and energy transition

The African Development Bank has approved a \$500m loan to Nigeria to finance the second phase of its economic governance and energy transition support programme, covering fiscal years 2024 and 2025. The programme aims to deepen fiscal policy reforms by strengthening public financial management systems and enhancing the transparency and efficiency of public spending. It will also accelerate the reform of the power engineering sector to reduce energy poverty, improve sector governance and attract private investment. The money will also go towards supporting implementation of the energy transition plan through measures that promote climate change adaptation and mitigation, including the introduction of energy-efficiency standards for electrical appliances.

Transnet to borrow \$347m from France for zero carbon transition



For decades, African coastal governments lacked the capacity and will to protect, develop and exploit their fisheries. But as the 'blue economy' concept becomes settled, policymakers aim to ensure that productivity, not plunder, defines Africa's oceans. **Ben Payton** reports.

What's the catch?

Africa's long-neglected fisheries look to the future

The rich but delicate ecosystems that surround Africa's coasts have helped sustain human populations since the dawn of our species. Yet few would deny that the artisanal economic activities around Africa's waters have been a low priority for almost all governments since independence. Small-scale fishing communities, which are difficult to tax, have long complained of neglect.

There are some signs, however, that the tide is beginning to turn. Internationally, the need to protect the oceans and make sustainable use of their resources has risen up the agenda.

And African policymakers have begun to pay attention to the concept of the "blue economy".

"I'm very optimistic," says Linda Amorngor-Oje Etta, senior blue economy adviser at the African Union (AU).

More governments are recognising the benefits of a thriving blue economy, she tells *African Business*, noting that the AU has helped more than 30 African governments develop blue economy strategies. "The scope of the blue economy is expanding, and that's why we are seeing more countries engaged in it."

The blue economy is a broad concept. It includes all economic activities that make use of resources from seas, lakes and rivers, encompassing everything from fisheries and aquaculture to tourism, marine energy, carbon sequestration and biotechnology.

African leaders may also have realised that the blue economy is big business. The AU and the UN Development Programme (UNDP) are running a

programme over the next four years, with the aim of generating \$405bn and creating 57m jobs.

A common thread that runs through all activities related to the blue economy is sustainability. This is a quality that has often been absent in other parts of the world. Some countries have developed industrialised fishing sectors and advanced aquaculture industries, but at the expense of immense environmental damage. Africa now has a chance to take a different course.

Policies and piracy

There is no shortage of policies and plans around the blue economy, and specifically fishing, in Africa. The blue economy is embedded in the UN Sustainable Development Goals and in the AU's Agenda 2063. Major countries, including Kenya and Nigeria, have created blue economy ministries. A regular stream of blue economy events has been added to the diplomatic circuit.

Yet many coastal African countries lack full control over their own exclusive economic zones. Half of the industrial vessels implicated in "illegal, unreported and unregulated fishing" around the world operate in African waters, according to a 2022 report by the Financial Transparency Coalition.

Beatrice Gorez is coordinator at the Coalition for Fair Fisheries Arrangements, a non-profit that raises awareness of how fisheries arrangements affect artisanal fishing communities. She notes that foreign fishing fleets can often evade restrictions through chartering fishing vessels that sail under local flags.



Kayar, a village about 60 km north of Dakar, is one of the largest fishing centers in Senegal.



Cover story: Africa's blue economy

Another common practice is to form “joint ventures” with local companies to disguise the true ownership of fishing fleets.

“Most of the actions and operations by vessels of foreign origin are legal. They’re unsustainable, but they are legal,” she says.

The failure of many African governments to protect their maritime sovereignty reflects the lowly position of the fisheries sector in the political pecking order. “Governments today are listening to sectors that will bring money,” says Gorez. Industrial fishing companies, whether of local or foreign origin, can potentially get a hearing, but small-scale fishers are “marginalised in the decision-making process”.

High Seas brought low

Oceana, a marine conservation non-governmental organisation, warned earlier this year that overfishing off West Africa is having “devastating consequences” for local communities. It blames the trend on trawlers over-exploiting small pelagic fish (those that live neither close to the bottom of the ocean nor near the shore), the bulk of which is exported to Europe and used as feed for farmed salmon.

The recent David Attenborough documentary *Ocean* featured John Adams, a Liberian fisherman. “Our nets used to be full,” he said, as he lamented competition from trawlers that seize vast shoals of fish from the seas. It is becoming ever harder for artisanal fishing communities to land a decent catch, Adams complained. “The bigger sizes are gone. They are no more.”

His experience highlights how marine resources are renewable resources, but only if they are allowed to renew themselves. Conserving the resources goes hand-in-hand with their economic use.

A recent development that could help Africa’s coastal fishers is the High Seas Treaty, also known as the biodiversity beyond national jurisdiction (BBNJ) agreement. African countries have taken a prominent role in negotiating the landmark deal. In September, Morocco became the sixtieth country to ratify the treaty, meaning it will take effect in January. Another 16 African countries had completed the ratification process as of 13 November.

What happens on the high seas, which begin 200 nautical miles from the nearest landmass, may seem of remote importance to Africa’s population and even its coastal fishing communities.

But Karen Sack, a South African who leads the Ocean Risk and Resilience Action Alliance, an organisation seeking to attract investment into the blue economy, says the high seas are “absolutely critical” for food security and mitigating climate change. “This treaty is closing a gap in international ocean governance that has been there forever.”

Ensuring better governance of the high seas could become an important step towards building a sustainable blue economy around Africa’s coasts. Sack notes that industrial fishing fleets often “fish the line”, meaning they lurk just outside of Africa’s exclusive economic zones – or sometimes, covertly, within them – “scooping up and stealing the fish from those waters”. This decimates the vast shoals

‘A sustainable fisheries management framework is possible, and it’s not a pie in the sky idea. It’s actually very practical’

Opposite: Workers in a fish processing factory prepare hake fillets for freezing in Walvis Bay, Namibia.

of fish that naturally migrate from the high seas to African coastal waters. Fewer fish are then available for the small boats that stick close to the coast.

The treaty will make it easier to create marine protected areas within international waters. The Economic Community of West African States (ECOWAS), for example, is developing a proposal for a protected area around the convergence zone of the Canary and Guinea currents. In theory, if this segment of the high seas was well-protected, fish species would flourish within the protected zone and migrate into the coastal waters where they could be sustainably fished.

Tech tide

Combating overfishing is a vital step towards creating a truly sustainable blue economy. This does not mean, however, that fishers must stick to traditional methods. In fact, a range of technologies are helping to drive innovation in small-scale fishing.

South African social enterprise Abalobi is pioneering the use of technology to support small-scale fishing communities. Abalobi’s approach is “all about data,” says Serge Raemaekers, its executive director. Its work, he tells us, revolves around “supporting fishermen and fisherwomen and fisher groups to articulate their local ecological knowledge and to record their catch, their expense, their income and other things they might want to observe and record and monitor”.

This data “creates the basis, not only for more sustainable fisheries management and collaborative fisheries management, but for your business plan as an individual or as a cooperative”.

Abalobi also provides training to help fishers make data-driven decisions, and enables fishers to participate in a market access programme. This aggregates the catch landed by different fishers, provides cold storage facilities, and connects the produce to retailers and other buyers. The condition of participating in this programme is that the fishers collect data to show they are fishing sustainably.

Raemaekers says that while small-scale fishers around South Africa have tended to find themselves “in a situation of despair,” Abalobi’s work proves that a better reality is possible. Fishers can earn a fairer price while operating sustainably, he says, providing the right structures are in place. “A sustainable fisheries management framework is possible, and it’s not a pie in the sky idea. It’s actually very practical.”

Abalobi, which was founded in 2017, has expanded from South Africa to a further 10 countries. The organisation was a finalist for the prestigious Earthshot Prize in 2023 for its work to promote sustainable fisheries. The secret to Abalobi’s success, Raemaekers believes, is that while it is using technology and data, nothing it does is “rocket science”. Its innovations are based on “relatively basic existing stuff that are affordable and scalable”.

Food security

By 2050, Africa will have 2.5bn mouths to feed, an increase of more than 900m from today. Clinton Obura, CEO at Kenyan start-up Samaking, is con-



vinced fish must be an important part of the solution for the continent's food security challenge. His mission, he says, is to "make fish the number one protein on African plates".

Obura notes that, in Kenya, conditions like gout are on the rise as red meat becomes an increasing part of the diet. "From a lifestyle perspective, white meat is a better source of protein compared to red meat." Fish can also be cheaper than other sources of protein, he adds.

Yet Obura cites estimates that Kenyans consume just 4.7 kg of fish a year on average, compared to a global average of 20.5 kg.

The good news is that local production of fish is on the rise, and imports are falling, largely due to the growth of aquaculture.

The Kenyan aquaculture industry is dominated by tilapia, which is farmed in cages on Lake Victoria and in thousands of ponds in the west of the country. Production of farmed fish has increased almost

threefold since 2017, according to official statistics. Samaking began life as a "market access and aggregation solution," Obura says. Its initial focus was on providing cold chain facilities, which meant fish could more easily be transported to markets where it would demand a higher price. Meeting the cold chain challenge boils down to supply and demand, Obura says.

"Cold chain is not the problem, because cold chain is just infrastructure that the fish needs to move," he says. "If there's enough volumes of fish, the supply chain can afford the cold chain. So really, the trick is, do you have enough product moving through your supply chain to afford getting cold chain?"

The key, Obura says, is to support fish farmers in becoming more productive. This comes down to ensuring access to quality inputs, particularly fish feed and fingerlings (juvenile fish), which in turn requires input financing. "A normal tilapia produc-



Cover story: Africa's blue economy

tion cycle is six months. A farmer has to feed the fish for six months before they can harvest and get money for it. Not a lot of African farmers have that kind of money.”

Obura says that as Samaking seeks to scale up its integrated offering, it has been able to “ride the wave” around investor and donor concern over climate. Solar-powered cold chain facilities, he notes, provide an opportunity to make productive use of renewable energy. This in turn helps impact-minded investors contribute towards a double win on food security and climate.

There are many other opportunities to use technology in the burgeoning aquaculture sector. Again, technology does not have to be sophisticated.

WAVU, another Kenyan start-up, is positioning itself as a digital middleman through a “very simple WhatsApp platform,” says Lorna Mudegu, its co-founder. Fish farmers can use the WhatsApp service, which is powered by an AI bot, to order inputs. As an aggregator, WAVU can then supply these inputs at a significant discount, helping farmers to save 15% on average, according to Mudegu.

She adds that the company has already welcomed 1,500 farmers in Kenya. It also provides advisory services through its platform and is looking for partners to help provide input financing.

Sustainable aquaculture

As with fishing, aquaculture comes with sustainability challenges that could threaten its future ability to sustain production.

Stanford University professor Rosamond Naylor highlights how farming at too great a density leaves fish more vulnerable to disease, potentially leading to overuse of antibiotics.

Effective regulation is needed, she says, to help the industry grow sustainably. The alternative could be disease outbreaks, like the 2007–2009 outbreak of infectious salmon anaemia virus in Chile, which caused salmon production to collapse by 60% in the country.

Naylor says levels of sustainability vary within the Kenyan aquaculture sector. In Siaya County, where production is dominated by smallholders, “it just looks like everything is all piled on top of each other, and it could blow up any time with a disease or upwelling event,” says Naylor. But around Homa Bay on Lake Victoria, where higher-value fish are farmed, standards of sustainability appear far higher, she reports.

In practice, Naylor notes that larger, vertically integrated companies can be better placed to farm fish sustainably, given that they have the capital to source high-quality feeds that are produced sustainably.

Today, Africa accounts for just 2% to 3% of global aquaculture production; over 90% happens in Asia. Yet Africa has a “leapfrogging opportunity” in the sector, says Essam Yassin Mohammed, the director-general of WorldFish, a non-profit research organisa-

tion. He believes Africa can catch up, while learning from Asia's mistakes.

“Africa is where Asia used to be about 40 or 50 years ago,” says Mohammed. While Asian countries such as China, Vietnam and Bangladesh have achieved rapid growth in aquaculture, this growth has been accompanied by the loss of coastal mangroves and the overuse of antibiotics.

Mohammed believes genetic improvement of fish stocks will be a key part of the solution for Africa.

Genetic improvement derives from the ancient practice of selective breeding, but can now be accelerated with high-tech methods of genetic analysis so that improved strains can be bred more quickly. An example is genetically improved farmed tilapia, known as GIFT, which was developed by WorldFish. The growth rates of these strains have increased by around 10% per generation over the course of more than 30 years. Faster-growing GIFT require less feed, which typically accounts of around 70% of the costs of fish farming. “It can reduce the cost and maximise profitability for the farmer,” says Mohammed. What is more, he adds, “the ecological footprint drastically drops.”

Indeed, Mohammed says Abbassa tilapia, another improved strain bred by WorldFish for the Egyptian market, has an ecological footprint 36% lower

than its wild cousin, reflecting its faster growth. As in many areas, fulfilling Africa's immense blue economy potential in fisheries and aquaculture will depend in large part on finance.

The continent has been at the forefront of innovative financing mechanisms. The Seychelles, for example, became the first country to issue a sovereign “blue bond” in 2018. This instrument allowed the country to “swap” some of its high-interest debt, in return for investing part of the savings in marine conservation and sustainable fisheries.

Fishing for finance

Yet a huge financing gap still remains. In aquaculture alone, WorldFish estimates Africa needs an extra \$12bn a year. The problem is not that money is lacking globally: Mohammed points out that the world spends \$40bn a year on “harmful subsidies” for unsustainable fishing. Africa, however, needs better incentive mechanisms and a stronger policy environment to attract investment, Mohammed says.

He adds that governments and other key stakeholders still need to realise the true potential of the blue economy if they are to bring capital into the space. “There is a sheer lack of awareness in terms of the potential of the sector in the region, by people in the region themselves. There's a know-how gap.”

Building a truly sustainable blue economy will not be easy. It will take time for broad policy goals to translate into concrete actions. But the reality that a flourishing African blue economy is vital for conservation, livelihoods and food security is getting harder to ignore. ■



Building a truly sustainable blue economy will not be easy. It will take time for broad policy goals to translate into concrete actions

Above: A tilapia farm on the shores of Lake Malawi.

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Carbon credit projects that protect or restore mangroves and other coastal ecosystems are in high demand, reports **Ben Payton**.

Can blue carbon credits preserve Africa's coastal riches?

As Africa seeks to develop its blue economy, one of the standout opportunities is in the area of “blue carbon”. Blue carbon project developers offer carbon credits to companies, in return for protecting or restoring coastal ecosystems, such as mangrove forests. While blue carbon is a small niche of the wider carbon market, it is in high demand for a simple reason: mangroves, along with sea-grasses and salt marshes, are extraordinarily effective as carbon sinks.

Mangroves have very deep and dense roots. This helps to trap sediment and prevent organic material releasing carbon into the atmosphere as it decomposes. In fact, mangroves can sequester carbon at a rate ten times greater than a mature tropical forest. Mangrove forests also provide a habitat where young fish shelter; and they offer protection against coastal flooding and erosion.

But mangroves are in trouble, both in Africa and around the world. A July study by Diankai Wang of the East China Normal University and colleagues, for example, found that the Niger Delta lost more than a quarter of its mangroves between 1988 and 2023.

Blue carbon projects may offer one of the last opportunities to save unique coastal ecosystems. For these projects to succeed, however, developers must go far beyond conservation.

Coastal crises

Many of the threats to mangroves stem from the breakdown of economic systems that rely on coastal resources. Elizabeth Littlefield, senior partner in West Africa Blue, one of the largest blue carbon projects on the continent, highlights how coastal communities in Sierra Leone are struggling. “The economies are purely subsistence, relying on fisheries for pretty



much everything. And unfortunately, over the last few decades, the fish stocks in that area have been significantly depleted, primarily through offshore commercial fishing trawlers," she says. "Without enough fish to catch any longer, the communities have been forced to turn to harvesting mangrove wood for sale, for cooking their food, for smoking their fish and for construction."

West Africa Blue is yet to issue credits, but has already begun working with communities in Sierra Leone and Guinea to address the loss of mangroves. The project has introduced mud brick cookstoves to the area, which can be made and maintained by local people, which Littlefield says has reduced wood use per household by 60%. Fish-smoking ovens have also been brought in as an alternative to smoking fish on mangrove logs.

All blue carbon project developers recognise that success is almost totally dependent on working with coastal communities. Local people need to be incentivised to help protect mangrove forests if the carbon sequestration is to prove durable.

In practice, this means there is typically a basic three-way division between the revenues of carbon credit sales. One part goes to the developer and its investors; another slice goes to the government; and the remainder is directed towards coastal communities.

Project developer Terraformation is managing a blue carbon scheme at Keta Lagoon in Ghana. Damien Kuhn, chief forestry officer at the company, reports that 32% of revenues from the project will be channelled to a community trust fund. The board of the fund, elected by local people, then decides how the revenues are used.

"These stable income streams are, for the community, a big change-maker," says Kuhn. He adds that the project has already created more than 720 jobs. As well as opportunities to work in planting and caring for mangrove forests, local people have livelihood opportunities through investments that allow for aquaculture to be practiced in ponds.

Of course, the benefit to the community will depend largely on the price that Terraformation can secure for the credits it issues. The company announced its first sale of credits from the Keta Lagoon project in June 2024, with UK-based property business Grosvenor paying almost \$50 per tonne on average. This is far greater than typical prices for forest-based carbon credits, which hover around \$15 per tonne of carbon removed from the air by reforestation and just \$5 for that retained due to avoided deforestation, according to World Bank data – though prices can vary widely due to project-specific factors.

Ghana leads the way

Kuhn says Ghana proved to be "an obvious choice" as a country to launch a blue carbon project. "Ghana is a really positive situation," says Kuhn. There is clear private ownership over the mangrove habitat in Keta Lagoon, he says, adding that the country has a "really clear legal framework for carbon project development. You cannot attract private investors when there is an unclear land system. To me, that's the main bottle-

neck." Indeed, blue carbon remains nascent around Africa's coastlines. Nigeria boasts the continent's largest mangrove forest in the Niger Delta, yet the country has so far only seen limited investor interest in developing blue carbon projects. This reflects concern over insecurity and governance, rather than the ecological suitability of the area.

"Globally, at the moment, we're seeing that about 5% to 10% of global carbon projects are blue carbon. When you look at that from an African perspective, it's significantly lower," says Reshma Shah, carbon markets lead at FSD Africa, a UK-funded financial development agency. She estimates that only 2% to 3% of carbon projects in Africa are in the blue carbon space.

FSD Africa is an investor in West Africa Blue and in a project in Kenya that aims to restore 1,500 hectares of degraded mangroves.

Shah says she is "expecting a significant increase in blue carbon projects" due to the relatively high credit prices, and the fact that impact investors can be drawn to participate in projects through blended finance structures.

Putting a price on nature

While the carbon markets are not universally popular, putting a price on ecosystems like mangroves is considered by some to be the best – and perhaps only – way to protect them. "If they have no value, then they're going to get cut down," says Vahid Fotuhi, CEO of Blue Forest, a blue carbon project developer. "They have no defence, and unless it's a monetary value, no one's incentivised."

"Is the carbon market perfect?" Fotuhi asks. "Absolutely not. Is there room for improvement? Yes. Is it, today, the best

mechanism to transfer funds to frontline communities that need the support to protect and restore those forests? Yes."

Blue Forest is developing four projects in Africa, the largest of which is in Mozambique. "There's a lot of demand for these projects," says Fotuhi. Given the limited supply at present, projects that can demonstrate their ability to sequester carbon and benefit communities, "garner attractive prices because of their scarcity," he notes.

Littlefield, meanwhile, believes that more blue carbon projects in Africa will be beneficial for the market as a whole. Since few projects have issued credits so far, there is a lack of clarity on pricing.

"The biggest challenge is probably the lack of transparency in the marketplace, which I think puts a downward pressure on pricing, because people don't totally trust it until they have some comparability."

Ultimately, the goal for projects like West Africa Blue is not just to sequester carbon, but to foster a local blue economy. In an ideal world, coastal communities will once again flourish alongside nature.

"By restoring the mangrove forests in these areas, you create stronger and more durable habitats for those fish," says Littlefield, "because the mangroves provide a habitat for fish and all kinds of other species, protecting and restoring them creates a self-fulfilling, positive ecological cycle." ■



Above: Keta Lagoon blue carbon credit revenues go back to the local community in Ghana.

Opposite: Along the shores of Mida Creek in Kenya, local communities are bringing once-declining mangrove forests back to life.

Climate change

The continent secured some of its key demands on adaptation finance, although the devil may be in the detail, writes **Ben Payton**.

Mixed results for Africa in Belém as Brazil's COP30 concludes

It was impossible not to see the irony when the Africa pavilion at the COP30 climate conference erupted in flames on 20 November, sending delegates fleeing for their lives. Mercifully, no-one was seriously hurt. But as global temperatures rise, the sight of infernos ripping through parched landscapes is becoming all too familiar. The number of people exposed to wildfires has increased by 40% in the last 20 years, with 85% of those affected in Africa.

Over the course of two weeks of negotiations in the Brazilian city of Belém, the gods appeared to send multiple signs imploring global powerbrokers to take action on climate change. As well as the fire in the Africa pavilion, a biblical downpour briefly flooded the Pacific islands pavilion. Yet there is only modest evidence that negotiators got the message.

A series of familiar debates ended with familiar outcomes. Once again, the talks became bogged down in language on phasing out fossil fuels. Once again, promises on climate finance for the Global South are unaccompanied by a concrete plan for delivery.

There were, however, a handful of topics that became much more prominent at this year's COP. In particular, the location of the talks in the Amazon focused minds on a threat affecting large parts of both South America and Africa – deforestation.

Frustration for forest finance

Brazil's initiative to stem the loss of forest ecosystems – the Tropical Forests Forever Facility (TFFF) – was one of the key talking points heading into COP30.



The TFFF concept is based on both governments and private investors putting money into an investment fund. Some of the proceeds of this fund will then be used to reward countries that maintain low rates of deforestation and to support forest communities.

DR Congo and neighbouring countries that are carpeted by the Congo Basin Rainforest – the most important carbon sink on the Earth’s land surface, absorbing more carbon dioxide than even the Amazon rainforest – could be key beneficiaries of the TFFF. The non-profit TFFF Watch estimates that DR Congo could net a maximum of \$460m a year if the TFFF were fully operational and if it halted deforestation entirely.

However, commitments to the TFFF have been underwhelming. Brazil hopes to raise \$125bn for the fund, and bringing COP30 to the Amazon provided a unique platform to solicit contributions. Just \$6.7bn in pledges were announced before and during COP30, however, of which \$3bn comes from Norway. The total pledges mean the TFFF is still far below the \$25bn needed to bring the initiative into full-scale operation.

“I think there’s some degree of concern in terms of what we are seeing about the future of TFFF, especially when you look at the implications of not being able to secure the initial pledges,” says Tiago de Valladares Pacheco, Africa forest lead at the Nature Conservancy.

“There’s a cautious approach to it, which is not encouraging,” Pacheco adds, referring to the reticence of some governments to invest in TFFF. Without a significant ramp-up in contributions before next year’s COP, Pacheco fears the TFFF could prove to be a “missed opportunity”.

Glenn Bush, who leads a capacity-building initiative for protecting forests in DR Congo at the US-based Woodwell Climate Research Center, is somewhat more positive. “I wish we’d had more. I wish we could raise the \$25bn primary tranche,” he says. “But I’m actually very pleased that we’ve got the commitments.”

The TFFF did receive a boost towards the end of COP, when Germany – which had delayed a decision on investing in the fund – announced a \$1.15bn contribution. Bush remains optimistic that the fund will help conserve Central Africa’s rainforests. “This is an incredible opportunity, and it’s at a scale the like of which we’ve never seen before for conservation.”

A partial win on adaptation

COP30 was never expected to see a major breakthrough on setting new climate finance goals. That milestone came a year ago in Baku, when negotiators controversially agreed to a ‘new collective quantified goal on climate finance’ of \$300bn a year by 2035. This is widely recognised to be only a fraction of what Global South countries need. The Baku text did, however, contain a vague reference to “scaling up” climate finance to the \$1.3 trillion a year that developing countries say is required.

Over the past year, negotiators have been working on a “Baku to Belém Roadmap” that would provide a clearer path towards the \$1.3 trillion figure. The roadmap was published shortly before the Belém

In the final deal, negotiators agreed to ‘call for’ adaptation finance to ‘at least’ triple by 2035

talks began, but ultimately received little attention. The COP30 final text simply states that parties “take note” of the roadmap, without endorsing its approach.

More positively, COP30 was able to reach consensus on tripling finance for adaptation to climate change – a goal that Richard Muyungi, chair of the Africa Group of Negotiators, described as a “red line” for the continent during the final stages of negotiations.

Adaptation finance is one segment of climate finance; it focuses on helping countries to become more resilient to the impacts of climate change, for example by building sea walls to reduce the damage from coastal flooding.

It is distinct from “mitigation” finance, which aims to lessen the extent of global warming, for example by replacing fossil fuels with renewable energy.

In the final deal, negotiators agreed to “call for” adaptation finance to “at least” triple by 2035. This only partially satisfied the least developed countries (LDC) group, which had sought a tripling by 2030. There is also some ambiguity about exactly what is being tripled, since no specific figure was included in the text.

Extrapolating from the 2025 adaptation goal of \$40bn produces a figure of \$120bn a year.

“African countries, particularly the most vulnerable, made clear that COP30 needed to deliver resources for resilience,” says Lily Hartzell, senior policy adviser at think tank E3G. “And while the goal to triple adaptation finance by 2035 certainly represents a compromise, it is a concrete step to address their growing needs.”

Building on Belém

Catherine Koffman, Africa director for the UN-backed Green Climate Fund, tells *African Business* that COP30 saw “a movement towards accelerating implementation. The days of doing pilots are gone,” she says. “It’s all about platforms: country and regional platforms. And there were many that were actually announced at COP, there were many that were actually promoted at COP, because COP is seen as an opportunity to trigger that financial capital inflow.”

Koffman adds that African governments are increasingly recognising that the private sector will be part of the solution on climate finance.

“There was definitely an acknowledgement that we cannot reach these targets without engaging the private sector to make sure that we, from inception, are ideating and designing investment platforms that will be investable.”

She lists a number of “non-traditional” financial instruments that African countries could use to raise finance. As well as earnings revenues through the carbon markets, Koffman points to sustainability-linked bonds and loans, climate resilience bonds and “debt-for climate” swaps. The latter involve restructuring a country’s debt to reduce its debt servicing costs, in return for a commitment to use part of the savings to fund adaptation. Barbados became the first country to launch such an instrument in 2024.

While the direction of travel towards strengthening adaptation is a little clearer after COP, the path ahead is still shrouded in uncertainty. The need to get creative is a message certain to be heard more often in the years ahead. ■

Opposite: Indigenous people walk past a giant inflatable globe during a march at COP30 in Belém, Brazil.

G20 and B20 Summits

South Africa delivered on its promise to put African priorities at the heart of its G20 presidency, despite concerted opposition from the Trump administration, reports David Thomas.

South Africa steers G20 to joint declaration without Trump

South Africa's presidency of the G20 drew to a successful close in late November with world leaders agreeing to a joint declaration in Johannesburg in defiance of US President Donald Trump's boycott of the event. The declaration, which host President Cyril Ramaphosa is likely to see as a vindication of South Africa's agenda for the G20 in the face of concerted US pressure, leads with a call for more support for poorer countries in facing climate change and other disasters.

"We highlight the need to pay special attention to those already disproportionately impacted by disasters and that cannot afford the costs of adaptation, disaster mitigation, preparedness and recovery in particular, Small Island Developing States (SIDS) and Least Developed Countries (LDCs)," the declaration reads.

The declaration calls for the greater use of "affordable, inclusive and accessible pre-arranged financing mechanisms" to strengthen disaster risk reduction and preparedness.

The 30-page document goes on to reflect other pressing concerns of less economically developed countries that South Africa had prioritised in its agenda, including taking action to ensure debt sustainability for low-income countries; mobilising finance for just energy transitions; and harnessing critical minerals for inclusive growth and sustainable development.

On debt, the Summit reaffirmed "our commitment to support efforts by low- and middle-income countries to address debt vulnerabilities in an effective, comprehensive and systematic manner."

On critical minerals, the declaration pledged to support increased exploration, "particularly in devel-

oping countries" and called for "promoting diversification of mineral sources, routes, markets, processing locations, and value chains; enhanced value retention and beneficiation in mineral endowed developing countries" and the implementation of environmental, social and governance standards.

Ramaphosa hails declaration

Little that is covered in the document is dramatically new – calls for disaster response and climate adaptation echoed well-worn discussions at the just-concluded COP30 in Belém in Brazil (*see page 16*). But the fact that a leaders' declaration was achieved despite the absence of US President Donald Trump and his senior team will be viewed as a significant victory for the hosts.

In his opening address at the Summit on 22 November, Ramaphosa hailed the declaration. "The adoption of the declaration from the Summit sends an important signal to the world that multilateralism can and does deliver. It sends a message of hope and solidarity. It tells the world that as the leaders of the G20, we will keep fast to our solemn pledge to leave no person, no community and no country behind."

Ramaphosa had put global inequality and the concerns of Africa at the centre of the country's year-long presidency of the G20, an approach that drew the ire of the United States. Months before the Summit, US secretary of state Marco Rubio accused South Africa of peddling a G20 agenda defined by "DEI [diversity, equity and inclusion] and climate change".

Christopher Vandome, senior research fellow with Chatham House's Africa and global economy and finance programmes, said that the Summit, bolstered by the leaders' declaration, represented a qualified success for the host nation. "With all of the nonsense that Trump was causing there was actually quite a positive resignation to the fact that the G20 might not be everything they wanted it to be... And actually we got to a point where everyone was happy the Summit went ahead, and the South Africans broadly feel the president did a good job in representing them."

Vandome said that the Summit and declaration successfully reflected Ramaphosa's stated desire to put African issues at the heart of South Africa's presidency of the G20. "I think it's shown that South Africa is one of the most capable among the African nations in articulating African issues on a global stage. It's shown that South Africa is committed to the Africa agenda."

Trump left on sidelines

Weeks before the Summit, Trump confirmed that none of his cabinet members would attend, again citing his discredited theories around the mass killing of Afrikaners. Vice-president JD Vance had for some months been expected to attend.

Argentina, led by Trump ally Javier Milei, who also did not attend the Summit, did not endorse the declaration. "Argentina, although it cannot endorse the declaration... remains fully committed to the spirit of cooperation that has defined the G20 since its conception," its foreign minister Pablo Quirno said at the Summit.

Vandome said that this statement represented a significant achievement for the hosts, who had feared that Argentina would scuttle any chance of a

Opposite: President Cyril Ramaphosa with South African school children at the separate G20 Social Summit.



declaration in the absence of the US. “The US absence actually made it potentially more likely to get a declaration. South Africa was worried that the Argentinians would try and block things, but in fact they managed to get a declaration out with a lot of what Ramaphosa wanted to say, which is brilliant. That’s as much as they could have hoped for really. And it shows there is a broad commitment to multilateralism. People were there for genuine serious dialogue on genuine serious issues.”

After months of attempting to soothe relations with the US following a disastrous Oval Office meeting between Ramaphosa and Trump in May, the US boycott of the event appears to have pushed South Africa into a much more assertive position, both in pushing its agenda for the Summit and in insisting that the US respected diplomatic protocol during the handover for the US, which will host the G20 in 2026 (see page 5) The US had offered to send a junior official.

Stiffened resolve

Vandome says that South Africa felt more emboldened to stand up for itself during the event, and was bolstered by strong support for its agenda from other Western partners, including the European Union and the United Kingdom.

“As you get towards the end you think ‘we’ve tried softly softly and now let’s just go for it’. And the closer you get to the Summit, the more the rest of the world is watching. You can feel a little more emboldened, especially during the Summit when everyone is there.

Everyone’s dealing with a Trumpian world. There will have been a lot of messages of sympathy [for South Africa].”

White House spokesperson Anna Kelly accused Ramaphosa of “refusing to facilitate a smooth transition of the G20 presidency... This, coupled with South Africa’s push to issue a G20 leaders’ declaration, despite consistent and robust US objections, underscores the fact that they have weaponised their G20 presidency to undermine the G20’s founding principles,” she said.

While pushing back against Trump and securing the leaders’ declaration were well received by an enthusiastic domestic audience, Vandome said that international reaction to the Summit was inevitably muted given the extent of the challenges faced by the international community.

“It’s a shame, I don’t think it’s had the same recognition or interest as the South Africans would have wanted it to. This is the challenge with South Africa’s desire to be treated like anybody else – fair enough and rightly – [Africa’s agenda is] super important and everyone needs to listen. But externally there’s COP, a new Ukraine peace plan, the rest of the world is on the brink of an economic slowdown.

“Messages around African exceptionalism and debt treatment are super important for Ramaphosa and South Africa but not necessarily the most pressing issues for many global countries. Some of the messaging hasn’t quite chimed or landed as high as they’d have wanted in global capitals.” ■



Neville Matjie, CEO of Brand South Africa

South Africa's G20 presidency, and its leaders' summit, have boosted the country's global image, tourism markets and national pride, Neville Matjie, CEO of Brand South Africa, the government's brand agency, tells Dianna Games.

Neville Matjie: South Africa will build on G20 momentum

The hosting of high-powered events in South Africa over the year and the B20 and G20 events during November have shone a spotlight on the opportunities the country offers. Neville Matjie, CEO of Brand South Africa, says the country's coffers have been boosted and tourism numbers have jumped in the wake of the recent events in the country. "The Americas have performed strongly, and the Middle East has shown the biggest jump at 58%."

He said affordability, product and diversity are key draws. "Once visitors arrive, they realise South Africa is very affordable. They come intending to stay two or three days, and suddenly they're adding Durban, Cape Town, and more experiences. The lived experience becomes a 'wow' moment, and they want to return with family and friends."

G20 fuels positive narratives

While he does not directly allude to tensions with US President Donald Trump, who boycotted the G20, Matjie says the G20 Summit had helped to dispel misinformation about the country put out by the US and it had significantly strengthened South Africa's brand reputation. Current geopolitical tensions have not impacted perceptions of the country among global partners, he says.

"The G20 Summit couldn't have come at a better time. What the world has seen here dispelled a lot of the disinformation that had been circulated. International partners know the real South Africa, a

country shaped by reconciliation, progress and unity, not the distorted narratives some try to push. Being here with hundreds of international journalists allowed them to see the truth for themselves."

Matjie says it was the intention all along to promote the continent at large during the G20 presidency. "The most critical point from the time we took over the G20 presidency has been that while the event is hosted in South Africa, it must also resonate in Africa, create impetus for the outlook of the continent and back up the African Continental Free Trade Area.

"We are really trying to rebuild intra-African trade, which is very key and critical for us."

Big boost for tourism and investment

"For 'Destination South Africa', we have been able to show off the strength of our infrastructure, the strength of our financial systems, the strength of our regulatory processes and how this has improved over the years to make it easy for business here."

Tourism has also benefited handsomely. "We have attracted additional investment this year even without running our annual investment conference, so that has been postponed to next year.

Speaking about the B20, the business-driven process on the sidelines of the G20, Matjie said the various task forces had shown the quality of business leadership in South Africa and elsewhere in the continent. "That's been very encouraging."

Agenda supported African priorities

Matjie outlined the four priority areas for Africa that the government had promoted at the G20.

The first related to strengthening disaster resilience and responses in the wake of climate change and associated natural disasters.

"One-in-50 incidents are becoming one-in-10 and even one-in-five. Durban is able to recover relatively quickly, but if a disaster hits a Mombasa, or any other destination within the African continent, will they be able to recover that quickly? The whole issue around disaster recovery is very, very important for us at the back end of climate change."

The just energy transition is another government priority, with major investments being made in South Africa's various generation sources.

The third priority, he said, is access to capital and debt, especially for low-income countries. "This is obviously very important from an African perspective, particularly the way the cost of borrowing is weighted against us compared to other nations."

"The fourth area has been around our critical minerals, specifically focusing on value addition."

"From a localisation perspective, we've been putting policies in place without restricting trade, but we have to protect our own natural resources. Instead of importing the finished products, we must make sure those are actually benefited in South Africa."

Mining, automotive, tourism driving South Africa's economy

Matjie said the mining sector remains a valuable contributor to the economy. "It's been a good year, and the sector has really helped to boost the Treasury. This has also contributed to our recent ratings upgrade [from S&P]. So mining is a very valuable sector for the South Africa brand."

He said the automotive sector is also a critical one. "This sector has really done well in South Africa with a lot of OEMs [original equipment manufacturers] setting up here and Chinese manufacturers coming in."

He mentioned Chinese automotive company Beijing Automotive Industry holding company (BAIC), which has built a manufacturing and assembly plant in the Eastern Cape, and BYD, one of the world's leading producers of new energy vehicles, which is exploring opportunities in Gauteng.

Tourism, too, is a big success story for South Africa, he said, with tourism infrastructure being critical to attracting tourists. "Tourists will come if there's the infrastructure in place supporting the attractions, and packages they can buy into."

He mentioned the new Club Med investment in KwaZulu-Natal, which is the first in Southern Africa.

There are other fast-growing sectors. One is chemicals, which includes pharmaceuticals and medical equipment supplies, and another is renewable energy projects such as solar and green hydrogen.

Rising foreign and domestic investment

Asked about the investor appetite for South Africa, Matjie cited the regular global reputation study done by the government, which tracks investments. It has shown positive growth over the past three years, with the only dip in recent times being a result of the Covid-19 pandemic.

This reflects not only rising foreign investment but domestic investment, he said. "The same amount of energy that is given to a foreign investor also applies to a domestic investor."

"They are important because they are often longer stayers and it is easier to secure them because they're at home. They understand the process and the market. But the ease of doing business must apply across the board."

Matjie shared some insights about what South Africa has learned from organising the B20 and G20 meetings.

"We found that the geopolitics has brought us even closer to all our other partners within the G20. I've had the

"The geopolitics has brought us even closer to all our other partners within the G20. The partners and even people on the street have been extremely positive about South Africa"



privilege of accompanying the president on a number of state visits to G20 partners and others outside the bloc.

"Everyone, from the partners, the private sector and even people on the street have been extremely positive about South Africa. So it has been a big plus for us to host this."

"What the G20 has done is it has propelled those that had an interest in South Africa to move quicker. Most heads of state coming here came with a business delegation, which is why the B20 was held so close to the leaders' Summit."

"Almost every day around these events I've been attending country presentations led by the business community, looking at opportunities here in South Africa, as well as opportunities in their own destinations and two-way trade. So the effect has definitely been positive."

"Geopolitics has forced us to really get closer to our partners not just in the G20 but also in BRICS, the European Union and others. If we don't, and if we keep our eggs in one basket, we may find ourselves being burned fairly quickly."

"But if we diversify our export markets and our investors, we are more likely to survive any storm that may come our way." The president, he said, had been clear about deliverables and putting in place timelines to keep things on track and to drive collaboration with the private sector.

Reshaping the narrative about South Africa

What now for South Africa? "We are moving forward now to the World Economic Forum [WEF] meeting that is a regular event on our calendar. We've taken a strategic decision that we want to expand our reach so we will, as well as Davos, include in our package the other sessions that the WEF hosts in other parts of the world."

He said another strategic project that Brand South Africa will be driving is South Africa's presidency of the Southern African Development Community (SADC) in 2026.

Brand South Africa needs to respond to "business unusual" in repositioning the country. "We have to have a new outlook. It's not business as usual anymore. It is business unusual in terms of how we position the brand internationally."

"We also want to drive a more positive narrative domestically as well – because the most critical people are the local citizens. Post-G20, we must continue using this momentum to tell the real story of South Africa, because the world is listening and they like what they see." ■

G20 and B20 Summits

While world leaders and the diplomatic community flocked to the G20 Summit in Johannesburg, 2,000 private sector representatives headed to the B20 – the G20's official business dialogue forum.

Under South Africa's B20 presidency, eight task forces in different sectors met throughout the year, developing 30 business-driven, actionable policy recommendations to be presented to the G20 spanning finance, trade, food security, energy, digital transformation, integrity, skills development and industrialisation.

Sim Tshabalala, CEO of the Standard Bank Group and chair of the B20's finance and infrastructure task force, told *African Business* at the event that the B20 allowed the private sector to play a leading role in influencing the global agenda.

Business leaders – including Standard Bank CEO Sim Tshabalala – met in Johannesburg to lobby policymakers at a fraught time for the global economy, writes Dianna Games.

Private sector makes voice heard at Johannesburg B20 meeting



“We have been able to use this year to demonstrate our calm, evidence-based, and inclusive style, which has been warmly welcomed and appreciated by almost all of the major international players.

“It's already clear that the Johannesburg B20 Summit has been highly successful, for the following reasons: it has been very well attended by business-people from all over the world.

“It represents the culmination of a year of highly inclusive and well-structured conversations within the global business community about firstly, policy and regulatory suggestions to the G20 governments, and secondly, steps that the individual businesses and organised business can take to support faster, more inclusive and more sustainable economic growth and human development.”

He said it has also been useful in drawing the attention of international investors to South Africa and to Africa as whole. “A lot of value has already been created for Africa as a result of the business connections made throughout the year.”

Navigating global tensions

Asked what changes, if any, he anticipated in terms of reform of the global financial architecture coming from the B20 process, Tshabalala said. “The B20

works by gradually shaping the climate of opinion and by making suggestions to policymakers – and it does so in multiple meetings in multiple work-streams throughout every year.”

“Regarding the B20, we the South African B20 co-chairs and secretariat have certainly not been blind to the heightened tensions of the past year. The main ways that we have addressed them are by aiming to be as inclusive, as factual and as non-ideological as possible. Our goal has been to make suggestions that every rational businessperson is likely to support.

Tshabalala, along with others in his task force team, told a media briefing in the run up to the G20 that the B20 is looking to the long term. “We took the view that we are dealing with long-term issues, not day-to-day political cycles. In the long arc of history, the conversations we have in Africa must have an impact not only on South Africa, but on the entire continent and indeed the world.

“The principles we put forward are designed to be universally reasonable – acceptable to any fair-minded person, whether you are South African, Nigerian, Australian, American, Russian or Chinese. They are grounded in logic and evidence, not partisan politics.

“So these are not narrow, local recommendations; they are global, long-term principles. We are not naïve about the geopolitical tensions. We are fully aware of them. But we chose to stay anchored in principle,” he said.

Key recommendations on mobilising capital

Tshabalala said the B20’s finance and infrastructure task force which he chaired makes key recommendations on mobilising capital for African development.

First, it called for the expansion of investable infrastructure projects and strengthening of early-stage project preparation.

“As I have mentioned, many projects die not because they are bad ideas, but because they are badly prepared. Feasibility, governance and risk allocation must be carefully managed. Critical infrastructure – in the energy and digital sectors – should be prioritised.

“These sectors are critical to unlocking broader economic development and innovation and serve as attractive ‘lighthouse’ projects for private investors.”

Secondly, he said, blended finance and public-private partnerships should be expanded. “Let concessional capital de-risk projects so that private capital can follow with confidence.”

Thirdly, he said that African risk should be more accurately assessed. The task force listed among its recommendations improvements to data and information availability to support credit rating assessments, capital allocation and opportunities to reduce the cost of capital.

Tshabalala said that in this, as in other areas, the influence of the B20 and its recommendations was already being felt. “I have recently heard these views echoed by other policymakers in Africa and beyond. In other words, a consensus may be starting to form. It’s notable that there’s considerable alignment, for instance, between the recommendations of South Africa’s G20 Expert Panel and the B20 finance and infrastructure task force, on [credit] ratings.” ■

US business participates despite Trump G20 absence

While the Trump administration boycotted the G20, the US business community was well represented at the B20 business forum, writes Lennox Yieke.

Gary Litman, the incoming sherpa for B20 2026, which will be held in the US, and senior vice president of global initiatives at the US Chamber of Commerce, told delegates in Johannesburg that American companies have cultivated “tremendous friendships” across the globe in a bid to position businesses as a bridge builder in turbulent geopolitical times.

In a strikingly different tone to that taken by the US administration, he commended South Africa’s B20 leadership. “I’m coming away thinking the distinction between emerging and advanced [economies], Global South and Global North, is not that important. South African companies have global ambitions just like American companies and Brazilian companies. And we are all committed to the same thing: accelerating the real economic growth in our countries and for global businesses. We have very common views which makes developing recommendations easy,” he noted.

With the US hosting the next G20 Summit, Litman said lessons learned through South Africa’s B20 process would be applicable in 2026. “We have learned a lot and we have learned how to develop recommendations in a much more precise and direct way and speak to politicians and the wider society on behalf of business.”

“The US Chamber of Commerce is the largest business federation in the world and we have been involved in the B20 from its inception. We have forged tremendous friendships across all the business federations. We understand each other. Our job is to make sure that politicians in the G20 hear consistently a very clear message from the business community,” he noted.

Speaking at the event, Cas Coovadia, South Africa’s B20 sherpa, noted that strong engagement in the B20 process by the business community in South Africa and the wider continent has given Africa’s voice real weight. “The decision right upfront to ensure that we put Africa at the centre of the B20 was the correct one. We have succeeded in putting the continent at the table of decision-makers,” he said.

“What we’ve seen is that what used to be issues in the Global South like growth issues, inclusion, dissatisfaction among the populace because they are not benefiting from economic growth, are now becoming global issues,” he said. “The reason we’ve had agreement among B20 businesspeople that Africa needs to be at the centre is that they have seen the synergies between Africa’s growth and development and the growth and development of the world.”

“The B20 is the only forum where business leaders from the north and south can sit and talk about global issues, what to do about them, and how business can begin to actually interact with governments to look at how politics impacts business.”

G20 and B20 Summits

Although hosting the G20 presidency was costly, South Africa gained increased global recognition and visibility, along with economic benefits, writes Dianna Games.

Johannesburg at its best as it welcomed the world

Johannesburg, South Africa's commercial capital, was transformed as officials worked hard to smooth its rough edges and get it in fine fettle for the glut of international visitors heading its way. City officials repaired roads, updated signage, cleaned public spaces and increased security to prepare for an influx of people. Although some residents complained these efforts prioritised guests over citizens, the city was ready as the business-focused B20 meeting began.

The business event, sponsored by some of South Africa's biggest companies, was held in Johannesburg's affluent commercial hub Sandton, often dubbed the richest square mile in Africa and home to a slew of luxury hotels and restaurants.

Security was heightened, but the city's atmosphere remained lively, with local businesses benefiting from increased patronage by foreign delegations.

By contrast, the G20 Leaders' Summit was held at the Nasrec conference centre near the township of Soweto. Although a harder sell than Sandton, the event – and the local hospitality – drew praise from international visitors.

South Africa said 42 countries and organisations had attended the G20 Leaders' Summit, including 20 of its 21 members.

While US President Donald Trump and his cabinet boycotted the event, this was regarded by many as a contributor to its success, because the countries that attended were able to reach consensus on a raft of issues quite early in the programme.

Although there was no official delegation, many Americans attended both the B20 and G20, and the country has been

As the dust settled, estimates of what the city had made from this whirlwind week started to emerge. Initial attempts put direct tourism revenue at about \$70m, with an anticipated total economic boost of \$180m

well represented in meetings throughout the year.

In addition, 16 guest nations participated in the leaders' Summit and six countries represented regional economic blocs in Africa, the Caribbean and East Asia.

Heads of major international organisations also attended, including African Union Commission chairperson Mahamoud Ali Youssouf, president of the European Council Antonio Costa, president of the European Commission Ursula von der Leyen and UN secretary-general António Guterres.

President Cyril Ramaphosa hailed the G20 Johannesburg leaders' declaration as a strong endorsement of multilateralism and dialogue. Unusually, leaders reached consensus and issued a declaration on climate and global challenges at the start of the Summit, aided in part by the absence of the US.

The dust settles

In the end the G20 event was a triumph for Johannesburg, from the colourful greetings for heads of state and other dignitaries at the various airports to the final statement and goodbyes after the two-day meeting.

Visitors interviewed by the large contingent of international and local media offered effusive praise not just for the event itself, but for the city. The events provided much-needed good press for Johannesburg, which is suffering from infrastructure decline and economic malaise after a decade of misgovernance under multiple mayors.

Visitors praised the friendliness of the locals, the city sights, and the positive vibe around the meetings.

As the dust settled, estimates of what South Africa had made from this whirlwind week started to emerge. Initial attempts put the event's direct tourism revenue at about \$70m, with an anticipated total economic boost of \$180m including associated spending. The surge benefited sectors such as hotels, retail, and hospitality, with a notable rise in five-star hotel occupancy.

Tourism minister Patricia de Lille noted that the G20 meetings provided significant branding for South Africa, boosting its global profile and future tourism prospects.

South Africa's reputation as a conference destination was underscored by its smooth hosting of the G20 and B20 Summits, building on experience from other large events such as BRICS Summits and the Mining Indaba.

In 2023, South Africa's MICE industry – that concerned with meetings, incentives, conferences, and exhibitions – generated approximately \$6.6bn and is expected to grow further.

Despite concerns about costs – especially in light of the national debt and poverty – the summit's projected \$40m budget was partly offset by private sector support.

Supporters view the expenditure as a strategic investment in diplomacy and global visibility, while critics see it as costly "political theatre" that could have been better spent on social programmes.

Time will tell whether the tangible benefits for the spend have any traction but for now the city, and the country, can celebrate the win. ■





A “family photo” during the G20 Leaders’ Summit in Johannesburg.

G20 and B20 Summits

South Africa's G20 presidency has been significant not just for the country itself, but for its potential impact on the whole of Africa, placing the continent's concerns firmly at the centre of its agenda, reports
Dianna Games.

G20 helps to drive Africa's economic and development priorities

South Africa's vision to make the G20 deliberations and outcomes resonate with the rest of the continent has resulted in strategic visibility for Africa. The themes of the year-long presidency – solidarity, equality and sustainability – framed South Africa's leadership around wider issues of development and inclusivity.

The African Continental Free Trade Area (AfCFTA) was a continuous central theme throughout South Africa's 2025 presidency, appearing in many statements, ministerial meetings, working groups and Africa-focused side meetings. The final declaration issued by the G20, read out by President Cyril Ramaphosa at the end of the Leaders' Summit, linked G20 trade and investment cooperation directly to AfCFTA implementation. It acknowledged that regional economic integration, including the AfCFTA, is a key enabler of economic growth, resilience, investment and development.

A roadmap for cooperation and investment

The declaration noted a "G20 Africa Cooperation Agenda on Trade and Investment" promoted by the South African presidency. This is a voluntary and non-binding initiative that is not legally enforceable but provides a roadmap for cooperation and investment.

The aim is to mobilise investment into Africa's productive sectors including manufacturing, agriculture, pharmaceuticals and critical minerals and



into infrastructure, with an emphasis on regional infrastructure. The agenda, which includes many existing initiatives, will be overseen by the African Union (AU) and African Development Bank.

Africa had an additional voice at the table through the membership of the AU, this year represented by Angola's president as the current chair of the bloc. The AU's first summit was in 2024 under Brazil's presidency.

Reform of global financial institutions

South Africa has long pressed for the reform of global financial institutions, greater representation of the Global South, and recognition of Africa's economic weight. It was a founding member of the G20 in 1999, chosen on the basis of it being the most sophisticated and diversified economy on the continent.

It has, over the past few years, pushed for AU membership to enhance the continent's voice. The lobbying was successful and in 2023, at the G20 Summit in India, the AU was granted permanent membership.

Among the representatives of 42 countries and institutions that attended the Leaders' Summit in Johannesburg were many presidents and officials from other African countries, including Zimbabwe, Nigeria, Equatorial Guinea, Kenya, Egypt, Namibia and Ethiopia.

Ramaphosa met many of them on the sidelines of the main event and in other forums to ensure the G20 legacy is aligned to African development aspirations, the government said.

Nigeria hosted a G20 Africa Outreach Meeting on Industrialisation and Agriculture, the first G20 meeting outside South Africa during the year.

Common issues for Africa

The AfCFTA is a central thread that has run through discussions that touched on many of the projects and initiatives announced by and around the G20, covering many other common issues affecting the whole continent. These include industrialisation, climate funding, debt sustainability and the reform of global financial institutions, which aims to ease the burden on African countries and promote growth and development.

South Africa established cross-cutting G20 task forces on issues that matter for Africa such as inclusive economic growth, food security and artificial intelligence.

Inequality was a key theme at the event. South Africa commissioned an Extraordinary Committee of Independent Experts on Global Inequality, chaired by Nobel Prize-winning economist Joseph Stiglitz, which produced the G20's first-ever report on global inequality.

South Africa, Namibia, Botswana and Zimbabwe are among the most unequal countries in the world and the Stiglitz report found that global inequality is worsening, with the wealthiest 1% capturing 41% of all new wealth between 2020 and 2024, and the bottom 50% only 1%.

The Africa Engagement Framework is another continental initiative driven under the G20. A multi-year initiative, it is intended to deepen and institutionalise G20 support for Africa's economic and financial development. This also underpins the essence of the AfCFTA.

The goal of this legacy initiative is to align G20 financial and economic support with African development priorities – not just on a project-by-project basis, but through coordinated, systemic engagement. It was officially endorsed by G20 finance ministers and central bank governors in October 2025, and South Africa has committed to coordinating and resourcing the initiative until 2030.

A complementary initiative, the G20 Compact with Africa, founded in 2017, entered its second phase (2025–2033) at the Johannesburg event and new financing was pledged to mobilise investment in Africa and support structural and business climate reforms. Member countries in Africa must meet reform criteria in order to benefit from it. Zambia and Angola are the newest members, while the World Bank and the African Development Bank act as coordinators and facilitators.

Legacy projects

Industrialisation was another key platform, focusing largely on critical minerals. South Africa advanced a critical

minerals initiative that emphasises value addition, beneficiation, and inclusive supply chains, rather than just extraction.

The G20 Critical Minerals Framework emanated from the South African process. It is a voluntary blueprint for international cooperation and provides a template for African countries to follow in pursuing opportunities related to critical minerals.

The Ubuntu Legacy Initiative is yet another Africa-focused legacy project to catalyse cross-border infrastructure development, including a toolkit produced by the African Development Bank.

Climate issues were a large part of the final G20 leaders' declaration. Issues raised were the need to scale up climate finance, build capacity and transfer technology to developing countries, which would help African nations access more concessional, climate-focused funding.

South Africa elevated disaster resilience (especially climate-induced natural disasters) to a leadership issue in the G20, arguing strongly that vulnerable countries (many in Africa) need more support.

The Summit's final declaration committed the G20 to investing in disaster finance mechanisms such as insurance, risk pools, catastrophe bonds and contingent credit to help countries facing increasing climate-related disasters.

It also reaffirmed support for "just transition pathways", which will help African countries to move to low-carbon sustainable models.

The initiatives discussed, committed to and drawn up under South Africa's G20 presidency all ensured that Africa's own issues, needs and projects were placed centre stage. ■



Above: US economist and recipient of the Nobel Prize in Economic Sciences Joseph Stiglitz (R) hands over the G20 Inequality Committee's Report on global inequalities to South Africa's President Cyril Ramaphosa.

G20 and B20 Summits

Opinion

The G20 Summit in Johannesburg was marked not by who was absent, but how confidently Africa influenced the global agenda, writes **Thebe Ikalafeng**, founder and chairman of Brand Africa.

A new centre of gravity: South Africa's G20 presidency and the rise of Africa's global voice

At the 2025 G20 Summit in Johannesburg, the first on African soil, the world witnessed a quiet shift in global history. An empty chair, left by the United States, drew early attention, but it was South Africa's leadership and Africa's growing confidence that defined the moment. The Summit was shaped not by anyone's absence but by Africa's presence: clear, principled and ready to take its place at the centre of global governance. The leaders' declaration did not unfold in defiance of any nation. It unfolded in affirmation of Africa's political, moral and strategic independence.

A Summit rooted in ubuntu, not geopolitics

South Africa framed the G20 through the African philosophy of *ubuntu*, a culturally grounded worldview that recognises that nations thrive through collaboration and interdependence rather than isolation. The leaders' declaration anchors global cooperation in the principles of solidarity, equality and sustainability. In a period of rising global instability this was not symbolic language but a demonstration of leadership informed by African ethics and culture.

The commitments to protect civilians, uphold international humanitarian law and support peaceful resolution in conflicts from Palestine to Sudan, the Democratic Republic of Congo and Ukraine reflect long-standing African positions. The moral tone of the declaration was shaped not by who sat in the room, but by what Africa has always stood for: human dignity without hierarchy. South Africa was not reacting to global politics. It was re-grounding global politics.

Africa moves from the margins to the centre

Johannesburg marked a transition from Africa being present to Africa being pivotal. Under South Africa's presidency, African priorities moved from the periphery to the centre of the G20 agenda.

The call for a reformed UN Security Council, explicitly naming Africa as underrepresented and un-



represented, was a long overdue recognition of geopolitical reality. The affirmation of the African Union as a full G20 member acknowledged the importance and legitimacy of Africa's voice in global affairs.

South Africa strengthened the G20–Africa partnership with a focus on industrialisation, sustainable investment and the African Continental Free Trade Area (AfCFTA) as strategic levers of global growth. Africa was not framed as a challenge to be managed or a project to be rescued, but as a driver of global solutions. In this context, the United States' empty chair did not diminish the Summit. It highlighted that Africa's leadership is self-assured, substantive and no longer contingent on the presence, posture or approval of any single country.

African realities became global commitments

South Africa did more than host the G20. It translated Africa's realities into shared global priorities across the most consequential themes:

- The fact that more than 600m Africans lack electricity and one billion lack clean cooking was positioned as a central global development and climate priority.
- The G20 pledge to triple global renewable energy capacity was aligned with Africa's development pathways and energy future.
- The Critical Minerals Framework placed beneficiation, value-addition and African sovereignty at the centre of future industrial and supply chain architecture.
- Food security was addressed through African-led strategies such as the Comprehensive Africa Agriculture Development Programme (CAADP), reinforcing continental agency in agricultural and food-system transformation.
- The global fight against \$88bn in illicit financial outflows, long a drain on African economies, became a shared responsibility that demands international reform.



South Africa's G20 presidency positioned the country as a credible, principled and capable global leader

These were not demands for special treatment. They were Africa's contributions to global stability, resilience and shared prosperity.

A new centre of gravity

The mischievous interpretation that the Summit declaration was crafted in defiance of the United States misreads both the tone and the intent of the Summit. The declaration stands firmly on African principles rather than political reactions. Its values of *ubuntu*, justice, multilateralism and inclusive development predate and transcend the dynamics of any bilateral relationship. It was not written against America. It was written for Africa: for fairness, for representation and for a cooperative global order grounded in partnership rather than coercion.

Africa was not pushing back. Africa was stepping forward.

The enduring image of the 2025 G20 is not the empty chair, but the boldness and fullness of Africa's voice. South Africa led with clarity, conviction and maturity, demonstrating that Africa is not emerging; Africa has emerged. The Summit confirmed that the world's centre of gravity is shifting, not away from any one nation but toward a more balanced system in which Africa is not a guest but a co-author of global governance.

South Africa as gateway to Africa

South Africa's G20 presidency positioned the country as a credible, principled and capable global leader. It strengthens brand South Africa as a moral anchor of multilateralism, a gateway to Africa's economic ascent, and a trusted convener at a time of geopolitical fragmentation. For South Africa, this moment is an opportunity to amplify its leadership in peace and promote Africa's development agenda; to align domestic reforms with global commitments; and to project a confident narrative that the world's centre of gravity is shifting – and that South Africa is helping to shape that shift. ■



Africa and Europe

Europe has finally backed Africa's push for value-added industrialisation and embraced new tools to fix its delivery gap, marking the clearest pivot in AU-EU ties in a decade, writes **Shoshana Kedem**.

Europe courts Africa anew at Luanda summit

Motorcades swept along Luanda's neon-lit waterfront at dusk, past idle cargo cranes and half-finished glass towers, before veering uphill toward the Salão Protocolar da Presidência – the angular concrete pavilion perched above the bay that hosted the seventh African Union-European Union Summit. Inside, beneath banners urging “effective multilateralism”,

dozens of leaders converged to revive one of Africa's most strategically significant partnerships.

The Summit delivered more than a routine communiqué. Europe backed African value addition in critical minerals for the first time, recognised the blue economy as a strategic sector, and committed to building regional green industrial hubs.

Together, the announcements mark a notable shift in Europe's approach, from extractive trade patterns to co-investment and industrial partnership.

Europe backs value addition

While the EU is the top trading partner of African countries collectively and their largest export market, ahead of China, India and the United States, critics have long contended that limited value addition within Africa makes for a lopsided trading partnership defined by resource extraction and purchases of raw agricultural products.

One of the clearest wins for African leaders thus came in an area that has long been a sticking point: for the first time Europe formally backed Africa's ambition to process critical minerals at home rather than export raw materials. The communiqué pledged support for “local and regional refining and processing of critical raw materials”, potentially unlocking financing for smelters, refineries and battery-precursor plants on African soil.

The move was linked the shift to the EU's Critical Raw Materials Act, adopted in 2024 to diversify supply chains and reduce dependence on China. Luanda marks the first time that its logic has visibly extended to supporting processing in Africa.



Tighisti Amare, director of the Africa programme at Chatham House, tells *African Business* that the move aligns with the economic priorities African governments have been stressing for years. “Africa is asking for more industries, more manufacturing, because we need so many jobs,” she says. Processing, whether through national or regional value chain models, is central to that ambition. For her, Luanda “can be a turning point” if capital now moves into Africa’s productive capacity.

For Paul Walton, executive director of the Africa–Europe Foundation, the new minerals language is part of a wider recognition: that Africa’s growth depends on value addition, regional manufacturing and smarter capital deployment. “Where we need to focus now is the last mile of co-investment,” he says. “The task is to cement the investment case, and build pipelines of bankable projects, and address misconceptions around risk.

“The old model of pledges and handouts has run its course,” he says. “Luanda was about co-investment, risk-sharing and building real value. The bottleneck is the last mile: getting money into projects at speed and scale.”

His foundation’s *State of Africa–Europe 2025* report calls for streamlined approvals, better project pipelines and targeted de-risking tools to accelerate capital flows into energy, digital infrastructure and oceans. “What we need now is not just more money, but smart money,” he says.

A tighter window for delivery

Twenty-five years after the AU–EU partnership was launched in Cairo, progress on that front remains uneven. Critics say the “Joint Vision 2030” agreed in Brussels in 2022 has moved slowly. African officials regularly cite sluggish European procedures, delayed disbursements and limited risk appetite.

Meanwhile, Africa’s geopolitical choices have expanded. “Most African countries are now deliberately pursuing multi-alignment,” Amare tells *African Business*. “They work with China, the Gulf, India, Turkey and increasingly Russia. That gives them more leverage, and it pushes Europe to deliver differently.”

One institution adapting to Africa’s changing needs is the European Investment Bank (EIB). The EU’s lending arm sent vice-president Ambroise Fayolle to showcase projects it sees as examples of “win-win” cooperation. Last year, 40% of the EIB’s external financing – €3.1bn – went to Africa.

“Africa has been a strategic partner for a long time,” Fayolle says. “At times of geopolitical uncertainty, the interlinkage between our economies becomes even more important.”

He highlights the Bank’s work on wind-power expansion in Cabo Verde, cocoa-sector traceability in Côte d’Ivoire, and new mRNA vaccine manufacturing in Rwanda, Senegal and South Africa – projects that pair African priorities with Europe’s climate, health and industrial objectives.

Fayolle acknowledges concerns that European financing is too slow and too conservative. To address this, the EIB says it is expanding mutual reliance

‘The old model of pledges and handouts has run its course. Luanda was about co-investment, risk-sharing and building real value. The bottleneck is the last mile: getting money into projects at speed and scale’

Opposite: António Costa, president of the European Council, with João Lourenço, president of Angola, following the EU–AU summit.

agreements with the African Development Bank, the World Bank and others, which allow lenders to rely on a single set of due diligence documents rather than duplicating months of appraisal. “This reduces duplication and speeds up implementation,” he says.

Rethinking risk

For both continents, the most persistent obstacle to investment is perceived risk. Walton says that misconceptions about African investment conditions still block capital from flowing into high-potential sectors. “We need to continue to address misconceptions on risk and the idea that Africa lacks investment opportunities,” he tells *African Business*. “The challenge now is the last mile – scaling capital into real projects.”

Fayolle agrees, saying the biggest constraint on European financing is investor perception – and the absence, until recently, of reliable risk metrics. “Very often in Europe... what investors say is ‘we lack data. We don’t have enough data to invest in Africa,’” he says.

To counter this, he points to the Global Emerging Market Risk Database, a consortium created in 2009 but only recently expanded and opened more fully to the public. The platform pools anonymised, disaggregated credit-risk data from nearly 30 development banks and has sharply grown in coverage and granularity in the past two years, offering the first comparable, sector-level evidence of default and recovery patterns across regions.

“When you look at the figures, what you see is the region in the world that has the lowest credit risk is Africa,” Fayolle says. He hopes this new visibility will shift European boardroom decisions and accelerate approval of bankable projects.

A subtle pivot

The Luanda event followed swiftly on the heels of South Africa’s hosting of the G20 Summit. As one of the members of the G20, the European Union sent its most senior leaders to the Summit.

In the months leading up to the event, European leaders strongly backed South African President Cyril Ramaphosa’s agenda, which focused on the concerns of Africa and other emerging nations.

“There’s been a lot of financing committed by the EU throughout the year towards South Africa in various industries,” says Chris Vandome, senior research fellow with Chatham House’s Africa and global economy and finance programmes. “The EU is really building up its Pretoria presence, to cover both South Africa and the region, so it’s really a focal point for them.”

Both Johannesburg and Luanda left the impression of a partnership quietly shifting gears. Europe’s first-ever endorsement of African mineral processing in Luanda, the emergence of robust risk data, and a stronger mandate for co-investment reflect a deeper recalibration.

Whether this marks a genuine reset or simply another rhetorical turn will depend on delivery. But analysts say this summit moved long-discussed themes – value addition, green industrialisation, blue-economy investment and smarter risk-sharing – from the margins to the centre of AU–EU cooperation for the first time. ■

Africa and Europe

Opinion

Europe backed African value addition in critical minerals for the first time at the African Union-European Union Summit in Luanda. Both sides should move yet further away from trade defined by resource extraction, writes Samiha Chowdhury.

Time for Europe and Africa to move beyond colonial-era trade

More than sixty years after the formal end of colonial rule, Africa's trade profile with Europe remains highly extractive and minimally transformative, dominated by raw material exports rather than diversified, higher value-added goods. African leaders have reason to be pleased with some outcomes of the seventh African Union-European Union Summit in Luanda in November, such as the EU for the first time backing African value addition in critical minerals (see page 30). But they should continue to reassess the continent's trade and aid relationship with the EU in light of persistent structural imbalances.

The first AU-EU summit, held in Cairo in 2000, promised a partnership based on equality, mutual respect and shared prosperity, yet Africa's economic diversification has advanced only marginally. According to Eurostat, between 2022 and 2024 minerals and fuels made up 53% of Africa's exports to the EU (€194bn), led by Algeria, Nigeria, Libya, Angola and Egypt. Vehicles and parts (6%), electrical machinery (5%), cocoa products (3%), apparel (3%) and other items such as gems, fertilisers, iron and steel together accounted for only about 7% of exports.

Colonial-era trade patterns linger

This pattern mirrors the economic geography shaped in the colonial era, when infrastructure and trade routes were designed to move unprocessed resources

from Africa's interior to European markets. It also sits uneasily with the AU's Agenda 2063, which prioritises industrialisation, value addition and economic diversification. A key question for the summit, therefore, is whether current AU-EU trade agreements and EU "Aid for Trade" are helping to change this profile or locking it in.

The 1975 Lomé Convention was the first major trade and aid agreement between the European Community (now the EU) and African, Caribbean and Pacific (ACP) states. It was later replaced by the Cotonou Agreement in 2000. Both offered non-reciprocal preferences to ACP exports. After Cotonou expired, the EU moved to a differentiated approach: least developed countries (LDCs) receive unilateral preferences through the Everything But Arms (EBA) scheme, while non-LDCs are expected to conclude reciprocal economic partnership agreements (EPAs) consistent with World Trade Organization (WTO) rules. Although WTO disciplines allow flexibility in such agreements – longer transition periods, partial product coverage and more flexible rules of origin – the EU has often used this room in ways that are unfavourable for Africa's non-LDCs.

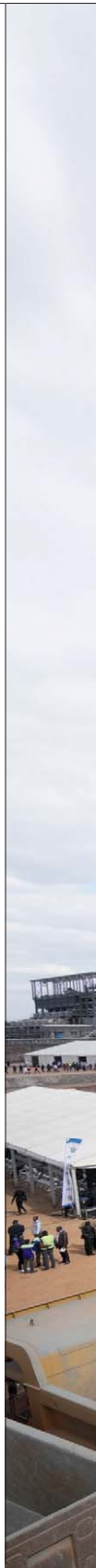
Across Africa, the EPA experience has been concerning. Under pressure to avoid loss of EU market access, Ghana, Côte d'Ivoire, Botswana, Namibia, Eswatini and Kenya ratified EPAs with demanding tariff-liberalisation schedules on EU imports. In Ghana, analysts argue that the government effectively capitulated to far-reaching EU demands, partly because negotiations coincided with the 10th European Development Fund round, during which Ghana received €373.6m in budget support. In the East African Community, Kenya's bilateral EPA has undermined the African Community Common External Tariff (EAC CET): it agreed to a 25% tariff on EU wines and spirits, below the EAC CET rate of 35% intended to protect local producers. Other signatories with similarly demanding terms include Cameroon, Comoros, Madagascar, Mauritius, Mozambique, Lesotho, Seychelles, South Africa and Zimbabwe.

Several African non-LDCs remain outside EPAs, including Algeria, Cabo Verde, Republic of Congo, Egypt, Equatorial Guinea, Gabon, Libya, Morocco, Nigeria, São Tomé and Príncipe, South Sudan and Tunisia. Nigeria, in particular, resisted EU pressure and declined to sign because the EU sought extensive tariff liberalisation despite Nigeria offering a five-year tax holiday to foreign investors in domestic production.

Nigeria's plan was to phase out tariffs gradually while maintaining tax incentives, so EU firms would invest in local manufacturing and move down the value chain instead of perpetuating raw material exports. EU insistence on far-reaching liberalisation risked reinforcing the colonial pattern: Nigeria exports raw commodities to the EU for processing and then imports finished products back. Value chains must reflect Africa's priorities

Aid policy shows similar tensions. The EU presents itself as the world's leading provider of "Aid for Trade", and Africa receives the largest share of this support. Yet the EU's own progress report indicates that most funds go to trade-related infrastructure – customs reform, ports, corridors and logistics – rather than targeted value-chain development. Meanwhile,

Opposite: Trucks and machinery are seen on the grounds of Prospect Lithium Zimbabwe's processing plant in Goromonzi about 80 kilometers southeast of the capital, Harare.



the EU's Global Gateway initiative, which aims for significant investments in Africa, largely focuses on large-scale infrastructure in energy, transport and digital connectivity.

Critics argue these projects are geostrategic responses aimed at reducing EU dependence on Chinese minerals and Russian gas by securing access to African raw materials, rather than systematically building African industrial capacities.

Infrastructure is necessary but not sufficient to transform Africa's export profile. Much of the continent's legacy infrastructure was designed in colonial times to move unprocessed resources from mines and plantations to ports. Current aid that concentrates on infrastructure, without parallel investment in processing and upgrading, risks mimicking that model.

The declaration from the previous AU-EU summit, in Brussels in February 2022, pledged support for regional and continental integration and described trade agreements as instruments to deepen trade, foster development and achieve mutually beneficial integration of both continents' markets. To honour these commitments, the EU should accept African tariff-liberalisation schedules under EPAs where they are clearly calibrated to promote local production and economic diversification. It should also move beyond a generic focus on "connectivity" and "hard infrastructure" and align its aid more closely with sector-specific

Too often, EU aid frameworks are drafted in European capitals, with African governments treated as implementers rather than co-architects

value-chain strategies in agriculture, manufacturing and services that reflect Africa's own priorities and the realities of Agenda 2063.

African leaders should use leverage

This requires changing how aid is designed. Too often, EU aid frameworks are drafted in Brussels or other European capitals, with African governments treated as implementers rather than co-architects. In today's context – where Africa is a competitive destination for trade and investment from China, Turkey, Gulf states and others – African leaders have more leverage to insist that aid and EPAs support higher value-added exports instead of raw material dependence. Progress should be measured less by export volumes and more by the degree of value addition generated within African economies.

Following the seventh AU-EU Summit in Luanda, African leaders should deliver a clear and unified message: Europe's aid to Africa and its EPAs must move beyond merely securing access to African markets and resources and do yet more to enable African ownership of value creation on the continent. If the EU fails to adapt to Africa's competitive rise and to the ambitions embodied in the African Continental Free Trade Area and Agenda 2063, it risks losing influence and market share in a region that is its closest neighbour. ■

Samiha Chowdhury is a consultant at Development Reimagined.



Interview

Femi Otedola, executive chairman of Geregu Power

Femi Otedola dominated Nigeria's fuel trade and became one of the country's most successful entrepreneurs in the process. So why, asks Chris Bishop, is he turning his sights to its notoriously troubled power industry?

Nigerian fuel king Femi Otedola takes on country's power deficit

Ancient Greek philosopher Aristotle once said: "Give me a child until he is seven and I will show you the man." You could argue that Nigerian billionaire Femi Otedola is a case study for this. Despite dropping out of school early, he has made a fortune from the fuel trade in one of Africa's largest markets.

A lifetime of money-making later, Otedola could be forgiven for resting on his laurels.

He is the joint 16th richest person in Africa, with a personal fortune estimated in November by *Forbes* at \$1.6bn.

He rubs shoulders in that list with formidable South African business leaders Jannie Mouton, of investment company PSG, and never-say-die supermarket king Christo Wiese.

But the lithe 63-year-old, immediately recognisable with his trimmed beard and glasses, is far from done. Having conquered the oil market, he is now turning his talents to one of Nigeria's most intractable challenges: energy supply.

A fuel king rises

It's a challenge he feels well equipped for giving his enormous success in the cut-and-thrust world of domestic fuel. His earliest ventures in oil were inspired by a lightbulb moment when he ordered a delivery of diesel and saw a broken-down truck arrive three days later. Zenon, founded in 2003, took stakes in diesel depots and other downstream infrastructure, building a formidable position in Nigeria's domestic fuel market.

By 2007 he had leveraged that success to acquire a controlling stake – and thus roles as chief executive and chairman – at Africa Petroleum. By this stage, Otedola already enjoyed a position as one of Nigeria's most successful entrepreneurs.

But the international oil market is not known for its stability. When crude prices crashed in the wake of the global financial crisis of 2008, from around \$146 to less than \$40, Africa Petroleum, soon rebranded as Forte Oil, had to undergo a brutal restructuring, including huge job retrenchment and asset sales to pay back debts.

'The downstream oil business had served its purpose, but the real opportunity lay in electricity generation'

That fightback proved crucial, and Otedola's tough decision-making – and strategic positioning in the fuel market – eventually paid off. By 2019 he had decided to sell his remaining 75% interest in Forte Oil.

He subsequently invested in power generator Geregu Energy, which uses natural gas-fired turbines to generate power and claims to have current installed capacity of 435 MW.

Switching to power

After so much success in fuel – albeit tempered with the occasional market crash – what informed that decision to

move from a proven cash generator to invest in the uncertain field of power generation? "After building Forte Oil into a market leader, I felt it was time to reposition for the future. The downstream oil business had served its purpose, but I could see the real opportunity – and Nigeria's real challenge – lay in electricity generation.

"In 2013, we acquired Geregu Power after extensive due diligence. Expert consultants advised against distribution companies and pointed us towards generation. That decision saved us billions and positioned us in a sector vital for Nigeria's long-term growth," he says.

Both Otedola and Nigeria have their work cut out. Nigeria may be the biggest economy on the continent, but it lags when it comes to power generation. Nigeria has more than 230m people, yet around 85m – equivalent to the population of Egypt – lack access to power. South Africa struggles to supply its population of 63m with just under 50,000 MW installed capacity; Nigeria struggles even more with an estimated 13,000 MW.

Power cuts cost the Nigerian economy dear, as Otedola knows only too well. "It is crippling. When the grid fails, the economy runs on diesel: and I know, because that was the origin of Zenon. Homes, factories, hospitals – all depend on generators. This is wasteful and unsustainable. No major economy can grow without reliable power," says Otedola.

"Energy remains central, because without it no other sector can thrive. Beyond that, I see promise in infrastructure, technology and agriculture: the sectors



'Expert consultants advised against distribution companies and pointed us towards generation. That decision saved us billions'

Interview

that can transform lives at scale. I believe in businesses that close gaps where inefficiencies exist. Power generation is not an ‘all-comers’ affair. You need vision, patience and capital.

“My plan is to continue consolidating Geregu as a benchmark in private power generation, with world-class governance and strong partnerships, including with State Grid Corporation of China. We plough profits back into operations, and we see expansion opportunities as demand rises.”

Has fuel had its day?

Otedola keeps an eye on the progress of other Nigerian entrepreneurs, including Africa’s richest man Aliko Dangote and his ambitious 650,000-barrel-a-day oil refinery in Lekki Free Zone, not far from Lagos.

“I admire Aliko’s vision. Many thought him crazy when he acquired land for billions [of naira]. Today, the refinery will be transformative, making Nigeria self-sufficient in refined products. It’s a lesson in self-belief – the same quality that drove me into power generation,” he says.

Yet, he believes his country leans too heavily on oil. “We remain over-reliant on oil. Successive governments have recognised this, and the current administration

is intensifying efforts to diversify. We are seeing major pushes into agriculture, manufacturing, technology and services, and these sectors can employ millions. I see us prioritising diversification and enforcing fiscal discipline which will pay dividends. If we stay the course, the results will be lasting.”

‘A land of enormous potential’

One of Nigeria’s big tasks, ahead of elections in 2027, is to spruce up its image, solve its security and infrastructure issues, and try to win over investors. Otedola, ever the optimist, thinks his country can do that.

“Nigeria is a land of enormous potential, and I believe the current government has made important strides in laying the groundwork for inclusive growth. We have world-class entrepreneurs, some of the fastest-growing tech companies on the

‘My plan is to continue consolidating Geregu as a benchmark in private power generation, with world-class governance and strong partnerships’

continent, brilliant young people driving the creative sector, and an agricultural base that could feed Africa.

“While millions remain outside the formal economy, I am confident that with continued reforms already underway, such as improving infrastructure, expanding social investment programmes and supporting MSMEs [micro, small and medium enterprises], we will see more Nigerians brought into productive economic activity.”

Is the environment getting any easier for foreign investors? “We have seen significant progress in roads, rail and airport modernisation, and Lagos airport itself is undergoing improvements to enhance the first impression investors receive. Policy consistency is also being addressed: initiatives such as the Presidential Enabling Business Environment Council have simplified procedures and reduced red tape. If we stay on this path, and continue to strengthen regulatory stability and investor protections, Nigeria will become one of the most compelling investment destinations on the continent.”

Many of Nigeria’s world-class entrepreneurs are making it in other capitals of the world. Many in Lagos joke that London could be Nigeria’s 37th state.

Once Nigerians have made it, should

From nail-clipper to fuel king

Otedola earned his first money clipping the nails of his father’s guests at the family home on Victoria Island, Lagos. It was something he had planned well before his seventh birthday. He would give his father’s friends an invoice, out of his own receipt book, in return for a few coins. He had a grand name for his clipping business: FEMCO.

One of his customers was the larger-than-life John George Luttrell, the big blond-haired midwestern American who was the managing director of Mobil Oil Nigeria.

The big man stretched back in his chair and yielded, magnanimously, to a nail cut from one of Africa’s future billionaires. Maybe it was out of politeness, maybe this was because Luttrell, according to his obituary in 2010, had respect for humble graft. He had grown up in poverty

in the dusty farmland of Missouri in the depression of the 1930s and started out as an oil rig worker during a break in his university education, paid for by a local doctor.

“I was shy but confident – self-assured enough to sell my services to anyone who entered my turf, but reserved enough to know the line that separated cute from intrusive,” recalls Otedola a lifetime later.

This encounter with entrepreneurialism lends context to Otedola’s journey as an entrepreneur. The host that day was his father, Michael Otedola, a journalist by trade and then Mobil’s head of corporate affairs and, still later, the governor of Lagos. He had good contacts and plenty of support for his young son.

“It is true I had support, but support alone does not guarantee success. I still had to build Zenon from scratch, face

failures, and climb back after collapse. Everyone’s journey is different, but discipline and self-belief matter more than background,” he says.

Along the way did he have many detractors, I ask? “Plenty. Some friends even plotted against my father while he was governor. I learned to cut off negative associations and focus on my path. Critics will always be there, but results silence them,” he says.

Otedola has always gone his own way. Another early sign of that maverick streak that so often drives entrepreneurs came when he started at the University of Lagos Staff School. He went to lessons carrying a briefcase – one of his father’s hand-me-downs. Every day, he arrived to the laughter of his schoolmates.

“I wanted to look like a big man, a businessman, like the entrepreneurs and



'If we continue to strengthen regulatory stability and investor protections, Nigeria will become one of the most compelling investment destinations on the continent'

they head back home to plough their earnings back into Africa? "Yes, but conditions must encourage them. Patriotism matters, but business logic matters too. If Nigeria creates the right climate – reliable power, rule of law and returns on capital – our entrepreneurs abroad will come back willingly," Otedola says.

He insists that entrepreneurs – whether foreigners or émigré Nigerians – must look beyond skewed perception of African risk. "Africa risk' has become a lazy shorthand in global finance. The reality is that African markets, including Nigeria, have produced some of the highest returns anywhere. Across the continent I see governments taking steps to strengthen transparency, protect contracts and reassure investors through consistent policy.

"Of course, perception lags behind reality, but I believe Nigeria is setting a positive example of reforms that reduce uncertainty. When I went into diesel in the 1990s, people saw only chaos, but I saw opportunity. That is the mindset investors need to adopt today: Africa, and Nigeria in particular, is not just risk, it is reward," he says.

And having conquered fuel and moved on to power, few embody the risk-reward dynamic of Nigerian entrepreneurialism quite as much as Femi Otedola. ■

senior officials in the public and private sectors who all carried briefcases," he writes in his new book *Making It Big*.

Otedola eventually dropped out of school. This paucity of exam certificates has brought down criticism upon many an entrepreneur and Otedola is no exception, though he is pleased to see mindsets shifting in Nigeria.

"It's a mindset issue. In many societies, education is equated with success, but in Nigeria, skills and entrepreneurship are increasingly recognised alongside formal degrees. We must encourage all forms of talent. What matters is vision, resilience, execution and results, not only the paper you hold. I believe Nigeria is moving in the right direction by creating initiatives that support both graduates and self-taught entrepreneurs."

Intra-African trade

Kanayo Awani, Executive Vice President, Afreximbank

*Afreximbank's Kanayo Awani tells **Toni Kan** that an intra-African trade strategy must embrace manufacturing, services and value addition.*

Kanayo Awani on her mission to boost intra-African trade

As Kanayo Awani remembers it, the seeds of a continental shift in intra-African trade were sown from the moment the immediate past president, Benedict Oramah, assumed leadership of Afreximbank in 2015. “If you listened to his speech at his inauguration,” recalls Awani, executive vice president at Afreximbank’s Intra-African Trade Bank, “he must have mentioned intra-Africa trade over 20 times. You could glean from that that he was going to, under his leadership, prioritise intra-Africa trade.”

At the time, intra-African trade was a marginal concern and not on the front burner at the bank. “It was probably about 3% of our portfolio. We did it perfunctorily. But with his vision, things changed and now we are at about 35%.” The turning point in Awani’s own mission to boost



intra-African trade came in an unexpected setting. “One day Professor Oramah asked me to come and see him. I was a director at that time for trade finance and branches. We had this conversation in his house; he used to live in a house with a fantastic view of the Nile. Downtown Giza, and we were looking at the River Nile.”

Oramah’s words were direct and catalytic: “I want to introduce an intra-Africa trade initiative, and I want you to lead it. I’m going to empower you.”

“At the beginning, we called it an ‘initiative’ because we didn’t know which way [it would go] or how to do it. It was a challenge. He had practically given me a blank piece of paper, a blank cheque. And he had said ‘Fill it up. This is what I want to do. We must grow intra-Africa trade. We have to support the implementation of the AfCFTA.’”

A new strategy to boost intra-African trade

With only an administrator by her side, Awani began crafting the bank’s first dedicated intra-African trade strategy. “We worked with [consultants] Deloitte and our strategy and innovation team. They studied the trade, studied the challenges, and the opportunities. And then we used that to start formulating the strategy that will then guide us.”

Three core pillars emerged to guide them; create; connect; and deliver – with an ancillary pillar: measure.

Create meant focusing on value addition, expanding Africa’s processing and production capacity, now seen in the establishment and development of industrial parks; “especially around light manufacturers”.

Connection meant building market linkages in a continent where trade had been skewed throughout colonial history.

Delivery meant ensuring markets were served by efficient distribution and delivery mechanisms, not least upgrades to transport infrastructure.

Measure focused on monitoring and measuring mechanisms.

Awani’s vision extended to supply-side economics, product beneficiation and value addition. “We are a continent that is so rich in raw commodities... but of what use is it for Ivory Coast to sell cocoa beans to Ghana or Nigeria? No use. That’s why the greatest form of intra-Africa trade today is manufacturing goods.”

Launching the Intra-African Trade Fair

In a textbook case of preparation meeting opportunity, the Afreximbank opportunity opened after her stint at Harvard.

Ten years on, the intra-African trade

strategy has become a cornerstone of Afreximbank’s continental agenda.

Looking back, Awani can highlight a raft of innovative initiatives that have been born from that conversation in that house in downtown Giza and they include the Intra-African Trade Fair, the Pan-African Payment and Settlement System (PAPSS), industrial parks and African Quality Assurance Centres (AQAC), the Creative Africa Nexus (CANEX) and the Global Africa movement.

Walking to the Afreximbank pavilion at the 2025 Intra-African Trade Fair in Algiers, a woman hailed Awani as “Mama IATF”.

She says that the huge event is one of her most significant achievements, but she acknowledges that it felt daunting at the beginning. “I’m a banker, so how do you

‘You support a woman, you support a family, you support a community, you support countries... the continent’

organise a trade fair? And not even just a trade fair... an Intra-African Trade Fair that brings the whole continent together?”

The fourth edition in September recorded attendance from 132 countries made up of 958 buyers and 2,148 exhibitors with a record \$48.3bn in trade and investment deals signed. From virtual showcases to automotive expos, from creative industries to policy roundtables, the fair became a continental convergence point for governments dealing with the private sector in ways they hadn’t done before.

Supporting the creative industries

For many, the inclusion of creative industries in a trade fair hosted by a financial institution might seem unconventional. But for Awani, it was essential because as “somebody who’s been involved in trade policy for a while, I always knew that you have to focus on trade in services.”

“You can’t just talk about goods. And remember, we did the intense studies... What are we trying to do? To take advantage of our low-hanging fruits.

“To take advantage of our competitive and dynamic comparative advantage as a continent.”

That advantage, she says, lies in Africa’s youth. “By 2050, 70% of our population will be young. But you also see the dreary nature of those young people...”

“You see people who are forced into the Mediterranean seas and the Sahara.” Awani’s vision for the creative industry

also goes beyond financing. “Finance is critical. But we need to do other things. We need to build capacity. We need to focus on capacity building to make them bankable. To give them the ability to commercialise their talents.”

The IATF provides a unique stage for CANEX which has become a platform for that transformation. “If you go to the creative event here, there are masterclasses, conferences, as well as entertainment. But what else does a platform like this offer? It’s market access opportunities.”

She is also clear and focused on the broader purpose: beyond trade the IATF aids reputation management for Africa because “the trade fair is also for image-making.”

Monetising culture

“We throw everything at it... What Afreximbank has is execution finesse. If you can do something about it, do it,” she says.

The range of support spans layered financing models from trade to debt finance, the deployment of the \$2bn CANEX facility to support the creative and cultural industries; newly incorporated company to manage intellectual property (IP) and fund filmmakers; facilitation programmes for market access, grants and sponsorships; and a \$1bn dedicated film fund.

Explaining the mission of the latter, Awani says: “we realised that filmmakers are sometimes hamstrung by distributors... So we decided we will have a company that will serve as a repository of Africa’s IP and we’ll fund them and support their commercialisation.”

Fashion is another area of focus. “We’ve supported over 100 fashion designers from across the continent and the Caribbean... Some of them have got incredible deals.”

Women and the power of focus

The rise of women entrepreneurs is the catalyst of a quiet revolution at the heart of the IATF’s success; something Awani sees as a natural outcome of the continent’s economic structure. “SMEs [small and medium enterprises] are the engines of our economy.

“And a huge number of SMEs – that’s where you’re finding women. You support a woman, you support a family, you support a community, you support countries, you support the continent.”

What advice would Awani give to a young woman seeking guidance? “I can only tell you what has worked for me... Just remain focused.” She points to preparation, discipline and intentionality as key to her own rise to the top.

“You have to position yourself for opportunities... Otherwise, the next man will take it.” ■

Artificial intelligence

In January this year, the world's artificial intelligence (AI) markets were rocked when Chinese company DeepSeek released a model that it claimed to be significantly cheaper than the dominant US alternatives. When announcing the launch of its "R1" model – an open-source large language model that works in a similar way to services such as ChatGPT – DeepSeek said it was able to train the model for just \$6m, compared to the reported \$100m that US giant OpenAI spent producing

Cheaper AI technology from China offers African firms an opportunity to move away from pricey US services, but experts warn of the dangers of over-reliance, writes Harry Clinch.

Caution urged as Chinese AI takes root in Africa

ChatGPT-4o. Analysts say the massive cost savings were achieved because DeepSeek's models require the use of less computational power.

The news sparked a market rout on Wall Street, with investors fearing that major US tech firms could be undercut by cheaper rivals in China. Concerns over the future demand and value of advanced chips saw the American chipmaking giant Nvidia shed almost \$600bn in market value on a single trading day – the biggest single-day loss in US history.

New players hailed

In Africa, however, many greeted the news with much more enthusiasm. After all, business leaders and policymakers are now largely united in recognising the potential of AI technology to improve social and economic outcomes on the continent – or even to herald a period of leapfrogging in which Africa makes enormous developmental strides.

For example, AI tools are already being used on the continent to improve access to healthcare in rural areas, to help farmers achieve stronger crop yields, and to provide educational resources in areas with limited teachers.

But the main barrier to widespread adoption has been cost. As most African companies do not have their own AI-related infrastructure, they mostly have to rely on foreign cloud suppliers such as US-based Amazon Web Services (AWS).

These services allow companies to build and scale AI applications without having the advanced in-house computing that would otherwise be needed. However, African startups can find themselves paying monthly fees of \$1,000 or more to access them, which is prohibitively expensive for most.



Kennedy Chengeta, an AI-focused entrepreneur and academic based in Pretoria, welcomed the DeepSeek news at the time. He told *African Business* that “cost has been one of the most significant barriers to AI adoption in Africa” and that “cheaper AI models like DeepSeek have the potential to dramatically reduce these costs.”

“By offering affordable, pre-trained models that require less computational power, DeepSeek enables businesses to adopt AI without the need for significant investment in infrastructure or talent,” he said.

Rashida Musa, CEO of AI integration firm rAlma, has noted that “young minds now have access to a low-cost opportunity to develop really ingenious solutions. [DeepSeek] is going to open the door to so many more bright minds to access this technology.”

The underlying numbers suggest a shift would hardly be surprising: DeepSeek costs just \$0.27 to handle one million “input tokens” – the chunks of text users send to an AI model – and \$1.10 to generate one million output tokens. By contrast, OpenAI’s GPT-4o models are reported to cost \$5 and \$15 respectively for the same tasks.

Threat of over-reliance

In some quarters, the increasing dominance of Chinese AI is raising hopes that Africa could stand to benefit from much cheaper access to potentially transformative technology. However, others are raising concerns that Beijing could leverage this as a way to exert its influence.

Akhil Bhardwaj, an associate professor at the University of Bath in the UK who studies the implications of AI adoption, argues that, from the Chinese government’s perspective, the proliferation of its AI technology “is a very smart way of increasing the likelihood that the government of another country will become beholden to you because you are just too important for their digital infrastructure”.

Alberto Lemma, a research fellow and economist at the Overseas Development Institute in London, is similarly concerned about the power this potentially gives to Beijing. “China has the luxury of not having to worry about election cycles and five-year terms, which means they always take a longer-term view,” Lemma tells *African Business*. “They aim for their commercial expansions to eventually allow them to influence the political structures of the countries in which they invest.”

Chinese firms proliferate

Lemma points out that Chinese companies are already investing relatively large sums to build data centres on the continent as a way of securing an early foothold in Africa’s AI market. Telecommunications giant Huawei opened a data centre in South Africa in 2019. In 2024, it became the first company to establish a cloud region in North Africa with the opening of premises in Egypt.

At the same time, it announced a new Arabic large

language model alongside plans to invest \$300m to further develop its AI capabilities in the Egyptian market. In total, Huawei plans to invest \$430m in North Africa as part of its “Intelligent Future” plan.

Lemma tells *African Business* that “there are many different ways this control over infrastructure can be leveraged for geopolitical outcomes. You can leverage infrastructure funding for political favouritism, but you can also leverage infrastructure funding to increase dependency on Chinese debt.

“There is also another more speculative angle – but not so speculative as to make it unrealistic – which is the possibility of state-sponsored third-party actors using the information and data gathered through these kinds of investments to then influence different political outcomes.

“Of course it is not just African countries that can be susceptible to this, but it is certainly a lot easier to get away with doing such things under the radar than elsewhere because there is less regulation and oversight,” Lemma says.

“There is also a vested interest for China to be able to influence geopolitical structures in Africa due to the large critical minerals reserves on the continent.” African governments are, however, less likely than Western countries to see China as a geopolitical rival.

Data is the new gold

Another major incentive for powers such as China and the US to gain a foothold in Africa’s AI industry is the abundance of untapped data that exists on the continent. Africa currently represents just 2.5% of the global AI market and, as Lemma points out, the continent, which represents just under 20% of the global population, accounts for only around 5% of the global AI workforce.

This under-representation means that African data is distinctly lacking in current AI models – with the global consultancy firm McKinsey noting that

“African data contributes little to AI model training due to historically unequal access and data collection.”

While this can often mean that existing AI technology is not sufficiently able to process African languages or make accurate decisions in a specifically African context, it also means that the continent is a source of untapped data that is increasingly valuable to the world’s major tech powers.

Bhardwaj tells *African Business* that “when you think about what is needed to power AI, what becomes clear is that data is the new gold. But where is new data going to come from? It is going to come from places that have not produced much data before: places such as Africa.”

In general, Bhardwaj warns: “there is too much fear of missing out – but this should not drive policy. People need to slow down and think about what AI actually means in practice. My advice to policymakers would be: do not think about how AI can work for you, think about how this can fail, and let that be a starting point.” ■



‘A very smart way of increasing the likelihood that the government of a country will become beholden to you because you are just too important for their digital infrastructure’

Above: African data contributes little to AI model training due to historically unequal access and data collection.

Cryptocurrencies

New cryptocurrency legislation aims to offer regulatory certainty, facilitate legitimate trading and protect consumers, reports Harry Clynh.

Africa gets to grips with crypto as Kenya and Ghana legislate

In recent weeks Kenya and Ghana have become the latest African countries to bring forward legislation and policy papers regulating the cryptocurrency industry, as more governments seek to get to grips with a new financial asset that tens of millions of Africans now engage with. In October the Kenyan parliament passed the Virtual Asset Service Providers (VASP) Bill, putting in place for the first time clear legislation for the cryptocurrency industry. The bill defines a role for the country's central bank in licencing stablecoins – a form of crypto that is designed to maintain a stable value by being pegged 1:1 against traditional currencies like the dollar – and other virtual assets.

Kenya's Capital Markets Authority (CMA) has also now been mandated as the licensing authority for crypto exchanges and other platforms that facilitate crypto trading.

Shortly afterwards in Ghana, the central bank released a draft policy paper which outlines how it plans to oversee the virtual assets industry, with a full regulatory framework expected to be in place by December.

As is now the case in Kenya, the Bank of Ghana suggests that different regulatory bodies will oversee different parts of the industry, with the central bank overseeing activities related to payments and custody, while Ghana's Securities and Exchange Commission will regulate trading and investment. A new organisation, the Virtual Assets Regulatory Office (VARO), will also be established to help the authorities supervise effectively.

Continent catches up

These developments mean that Kenya and Ghana are joining a growing list of African countries – such as South Africa, Nigeria and Mauritius – in bringing forward crypto-specific regulation.

What explains this growing trend? Sam Kim, co-founder of Nairobi-based blockchain firm GoChapaa,



tells *African Business* that governments across the continent are introducing regulation to respond to increased consumer demand for virtual assets. “It is estimated that more than 6m people in Kenya – about 10% of the population – already use crypto,” Kim says.

“Stablecoins pegged to the US dollar have become particularly popular as a proxy for the greenback, allowing people to conduct cross-border trade more easily or hedge their savings against inflation and currency depreciation, although Bitcoin and other virtual assets have also gained in popularity for similar reasons. The industry is simply too big for the government to ignore.”

The Bank of Ghana struck a similar chord in its recent policy paper, arguing that “virtual assets can no longer remain outside Ghana’s financial regulatory purview... since the release of the Bitcoin white paper more than 15 years ago, Ghana’s virtual assets ecosystem has expanded substantially, now encompassing more than 3m users.”

Awura Abena Amponsah, a fintech and virtual assets analyst based in Accra, notes that “Ghana is recognising that digital assets have shifted from being a fringe concept to a structural part of its economy – digital assets are now integrated into daily financial and remittance activities and are not just used for speculation.”

Time for taxes

The move to regulate crypto is also likely to herald an attempt to formalise emerging and increasingly large financial industry in order to tax it. The tax-to-GDP ratio in most African countries is already low, standing at 16.8% in Kenya in 2022 and 14% in Ghana – compared to 35.4% in the United Kingdom and 27.7% in the United States.

This chronically low tax take, caused primarily by weak tax collection structures and the dominance of cash payments in Africa’s large informal economies, further limits the amount of money African countries can spend on their development priorities.

Sanjeev Gupta, a senior fellow emeritus at the Center for Global Development, has warned that cryptocurrencies, if left unregulated, could further diminish African governments’ tax intake. “Without robust regulatory frameworks and strengthened tax administration, stablecoins could narrow the tax base and undermine fiscal and development goals,” he said.

Amponsah explains that “the registration of VASPs creates a pre-taxation structure: once authorities know the players and transaction flows, they can identify taxable events such as capital gains, service fees, custody fees and cross-border transfers.”

“This lets the government capture previously untaxed or offshore value,” she adds. “Given Ghana’s strained public finances and need to diversify revenue, taxation is clearly a significant underlying factor [explaining the regulation].”

Kim believes that the new law will significantly boost consumer confidence in virtual assets and therefore contribute to increased uptake. He says that “traditionally many Kenyans have treated the virtual assets space with caution and have been

‘Without strong education and enforcement, users could face losses from scams or volatility’

concerned that an emerging, unregulated industry could be ripe for scams. But with the new law creating strong licencing and oversight mechanisms, Kenya’s virtual assets space will become much safer and more transparent, allowing greater numbers of consumers to engage with confidence.”

Amponsah similarly notes that the regulation will prompt a period of “professionalisation” and that stricter compliance measures “will raise standards for customer service and security, reducing scams and improving trust”.

While critics argue that cryptocurrencies are too volatile and unstable to be used as a formal part of the financial system, both Kim and Amponsah believe that this new technology can play an important role in driving up financial inclusion.

Approximately 7m people in Kenya still remain unbanked, with more than 30% of the Ghanaian population lacking access to financial services. Proponents of virtual assets argue that, given the technology’s ability to bypass many of the barriers presented by traditional finance, the industry can offer faster, cheaper and more accessible financial services – and therefore be particularly useful to underbanked communities in Africa and other emerging markets.

Kim tells *African Business* that “modern digital banking services, powered by blockchain technology and cryptocurrencies, can play a powerful role in driving financial inclusion by empowering those who have previously been excluded from traditional banking services.

“Accessible blockchain-based tools can give everyone in Africa direct access to savings, investment and cross-border payment solutions without encountering the friction associated with legacy banking infrastructure,” he adds. “When properly regulated, as they now are in Kenya, virtual assets can offer new avenues for wealth creation and economic participation.”

Risks remain

Amponsah is also optimistic that virtual assets can play a positive role in enhancing financial inclusion but points out that Ghana’s central bank will need to be attentive to potential risks. On a macro level, she says that “large unmonitored crypto flows could weaken the cedi and undermine traditional banks.” Amponsah also notes that proper enforcement of the regulations will be key in protecting consumers.

“Without strong education and enforcement, users could face losses from scams or volatility. Weak enforcements could allow bad actors to exploit the system,” Amponsah tells *African Business*.

“If Ghana balances innovation with protection and strong execution, crypto can become a transformative tool that will create jobs, improve financial access and strengthen remittance ties. But if mismanaged, the risks could outweigh the rewards.”

Looking forward, Kim suspects that blockchain technology will be increasingly embedded within African financial systems. “Very soon, Kenyans and people in other African countries will be engaging with blockchain technology without even knowing it.

“In the same way that mobile money became part of everyday life without people needing to understand the technology behind it, blockchain will also embed itself into our financial systems,” he says. ■

Special report

Mining in Africa

The need for Africa to build value-added industries around its mineral wealth has been discussed ad nauseam. What progress has there been, asks Ben Payton.

Governments seek to find answer to age-old mining question

Since the colonial era, Africa has largely remained trapped as an exporter of raw commodities. In the mining sector, ores are extracted from African soils, brought to the coast along pit-to-port railways, then exported to overseas markets. Only after leaving Africa's shores is the real value earned through refining, processing and manufacturing activities.

In this depressing paradigm, Africa's mineral wealth enriches mainly outside interests, leaving the continent at the bottom of the global economic food chain.

Rapidly increasing demand for critical minerals, however, offers another opportunity for the continent to strike a new course. Almost all the minerals needed for vital energy transition and advanced technological products can be found in Africa. By some estimates, the continent contains about 30% of global critical mineral reserves, including huge volumes of copper, cobalt, lithium, bauxite, iron ore and rare earths. Yet it captures just 10% of the value of these commodities.

Many African leaders hope that possession of such plentiful critical mineral resources can provide the continent with leverage to disrupt mineral value chains. The goal is to cajole companies into investing in more value-added processing activities locally.

South Africa President Cyril Ramaphosa, for example, positioned value-addition as a key part of the country's G20 agenda (see page 18). At a speech in Davos in January, he pledged that: "We will use this G20 to champion the use of critical minerals – through a programme of green industrialisation and as an engine for growth and development in Africa

and the rest of the Global South."

Meanwhile, Nigeria announced last year that it would make new mining licences conditional on mining companies presenting plans for local processing. The West African country is thought to contain promising lithium resources and is seeking to avoid the mistakes of the past as it develops the sector.

Reality bites

While almost everyone accepts the logic of promoting mineral beneficiation in Africa, many experts are cautious about what can be achieved in the short-term. Ekpen Omonbude, senior policy adviser at the Inter-governmental Forum on Mining, Minerals, Metals and Sustainable Development, says a "dose of reality" is needed as African governments consider the right approach. "The question isn't, can you add value? The question, rather, is, where in the value chain is your competitive advantage and how can you maximise it?"

Several African countries already offer incentives for local processing. In South Africa, for example, royalty rates are lower if minerals are refined within the country. Zambia, meanwhile, offers capital allowances on equipment to be used for mineral processing.

Some critical minerals initiatives around the continent mark a step-up in ambition from the more traditional policy approach of attempting to incentivise local processing. For example, DR Congo and Zambia have sought to work together to develop a value chain for battery materials. They aim to take advantage of their cobalt and copper resources – two of the key minerals used in most electric vehicle batteries – to create a vertically-integrated manufacturing industry in the region.

The drawback to such ambitious schemes is that a huge share of the global mineral processing industry is already locked down – by China. The Asian giant has worked strategically over more than 30 years to build up its dominance in all stages of international metals value chains, particularly in the processing stages. An estimated 90% of DRC-sourced cobalt is further refined and processed in China, for example. For Africa, or anywhere else in the world, shaking China's dominance is a giant undertaking.

Gathering momentum

This is not to say that Africa's value-added ambitions are doomed to fail. Around the continent, there are glimpses of real progress as investment starts to flow into minerals beneficiation projects.

In August, for example, Namibia unveiled one of the world's first facilities for producing "green iron". The HyIron Oshivela Plant, built by German investors, uses green hydrogen to power the refining of iron ore into direct-reduced iron, a key step in the low-carbon production of steel. Speaking at the inauguration of the facility, Namibian President Netumbo Nandi-Ndaitwah said that Namibia would earn six to eight times more economic value than by exporting iron ore. The facility "signals the building of an industrial base that is truly Namibian," she added.

In Zimbabwe, Chinese company Huayou plans to start producing lithium sulphate in early 2026 at a new \$400m facility. Lithium sulphate is an intermediate product that can be refined into lithium hydroxide or lithium carbonate for use in battery manufacturing.

Opposite: Mine workers in the Democratic Republic of the Congo with bags holding a mixed ore of cobalt and copper.





Special report

Mining in Africa

The Zimbabwean government has attempted to flex its muscles by mandating local processing, although it partially backed down from this stance last year as a dip in lithium prices led some companies to warn of a production shutdown.

Over the border in South Africa, US company ReElement Technologies announced a new rare earths refining facility earlier this year, the first to be built on the continent.

Franklin Edochie, head of metals and mining at the Africa Finance Corporation (AFC), reports that his institution is backing several other projects that include processing facilities. The AFC has invested, for example, in Nouvelle Gabon Mining, which is planning to construct a manganese smelter to process ores extracted from the Franceville and Okondja mines. It has also provided a loan facility for the Longonjo rare earth project in Angola, which is set to include a chemical refinery adjacent to the mine. And in DR Congo, the AFC helped finance the expansion of the Kamoakakula copper complex, which includes the largest copper smelter on the continent.

Mining companies themselves often prefer to carry out the initial stages of processing at the mine site, since it provides them an opportunity to add value and reduces the transport costs of hauling unprocessed ore to be exported. “In the feasibility studies that they’re putting out, there’s always a scoping or preparation for the next phase of the value-add, which is the midstream,” says Edochie.

Yet it remains more realistic, at present, for African mining projects to focus on building facilities for the initial stages of mineral processing, rather than more advanced stages of value addition. The reason for this is “size of capital required,” says Edochie. A new mine, in some cases, can cost billions to develop, even before any processing infrastructure is taken into account.

“A lot of financiers want to see how that project actually goes on, see how the mine performs – because it’s also a new area – see how the product trades, before then going and taking the risk in the phase.”

A lesson from Indonesia?

One country that Africa could potentially learn from is Indonesia. The south-east Asian nation has taken a muscular approach to capitalising on its own mineral wealth. Between 2009 and 2020 the Indonesian government progressively banned the export of nickel ore, insisting that the mineral be processed locally.

Indonesia was thus able to exploit its leverage as the world’s most important source of the material. Its gambit appears to have been largely successful; Chinese mining companies were effectively forced to build smelters in the country in order to keep their mining rights.

DR Congo, which produces about 70% of the world’s cobalt supply, has banned exports on several occasions. It recently lifted an eight-month ban that appears to have been intended mainly to drive up prices, and replaced it with a quota system that some fear will enrich well-connected middlemen. The central African country has had much less success than Indonesia in using its position in the market to compel local refining.

“Imposing export bans is quite plausible, but in practice, it doesn’t work easily,” says Silas Olan’g,

Africa energy transition adviser at the Natural Resource Governance Institute think tank. “The export ban can only work effectively if the preconditions for value addition in countries exist.”

He notes that Indonesia’s success reflects how it had already built the “basic industrial capacity” for local processing before it imposed an export ban. DR Congo could be in a position to follow Indonesia in using its leverage over the market, Olan’g says. But first it needs to have the basics in place.

Supporting infrastructure

There is wide agreement that African governments need to focus on their enabling environment in order to scale up investment in value-added industries. “The most important question to ask is: How reliable is your infrastructure?” says policy adviser Omonbude, who lists grid connectivity, water resources and transport links as key considerations for smelting and refining processes.

He does believe that governments are now at least asking the right questions. “While we might not be seeing billions of dollars flocking in for smelting projects and refining projects,” Omonbude says, “we’re seeing a lot of energy now going into the enabling conditions to attract this investment.”

Africa’s key advantages

Africa has some key advantages in the race to attract more mineral processing investment. The most important, perhaps, is the excellent conditions for renewable energy generation that prevail over much of the continent.

The non-profit Climate Action Platform Africa estimates that providing 24/7 power with renewable energy plus storage would cost three times more in Germany than in Kenya. This reflects the greater and more reliable supply of wind and solar energy in the East African country, which in turn means there is a reduced need for generation and storage capacity.

Indeed, the investment in the HyIron green iron plant reflects how Namibia is one of the best places in the world for producing the green hydrogen needed in this industrial process.

Progress is being made towards developing the infrastructure for green industrialisation. Infrastructure investment platform Africa50 announced in August that it has raised \$118m for its Alliance for Green Infrastructure in Africa Project Development Fund (AGIA-PD). “We are mobilising significantly more capital to scale the development of bankable green infrastructure that will support emerging green industries,” says Anas Charafi, executive director of the AGIA-PD Fund.

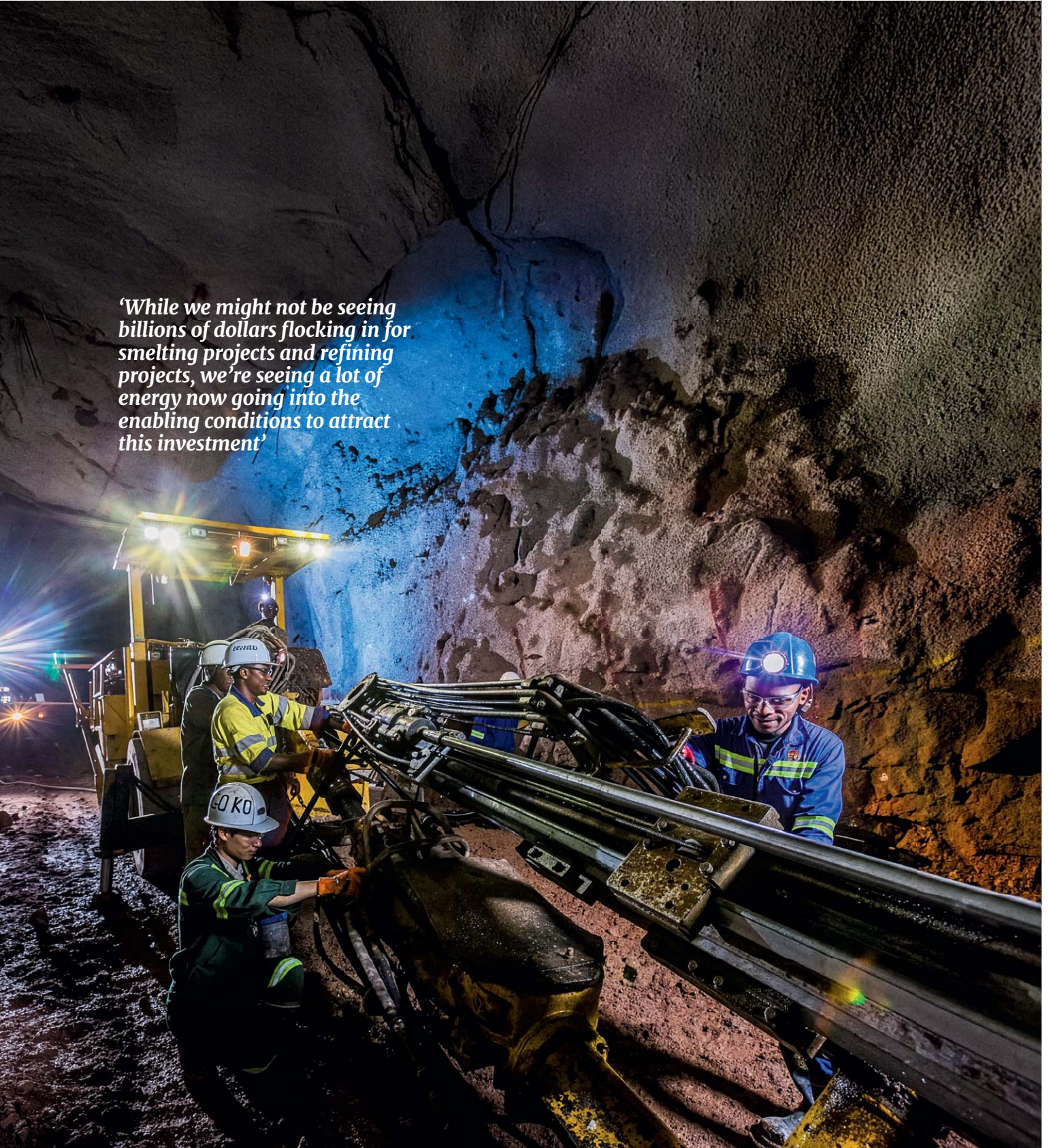
“We are confident that we will be able to raise substantially more capital and deliver even more impact,” he adds. “The Fund aims to raise up to \$400m which would enable us to ultimately generate up to \$10bn in green infrastructure investments.”

There are few shortcuts on the road to building the industrial ecosystem that will allow Africa to truly benefit from its immense mineral riches. It may take decades before the dream of establishing vertically integrated industries on African soil is realised. Yet the continent, at last, does seem to be moving in the right direction. ■

Opposite: Miners at the Kamoakakula copper complex in the Democratic Republic of the Congo.



'While we might not be seeing billions of dollars flocking in for smelting projects and refining projects, we're seeing a lot of energy now going into the enabling conditions to attract this investment'



When we co-develop markets, rail, renewables, processing and supply-chain traceability, the value grows and accrues to Africa, writes **Tania Mandaza**, Vice President, Mining & Metals, Stanbic Bank Zimbabwe.

Harnessing Africa's rare earth potential: Standard Bank's blueprint for industrial transformation

Africa possesses more than 30% of the world's rare mineral resources that are critical for clean energy technologies such as electric vehicles, wind turbines and battery storage. Yet, for decades, the continent has exported raw materials while others captured the real value through processing and manufacturing. Standard Bank believes this model must evolve.

By championing beneficiation, investing in strategic infrastructure and leveraging financial innovation, Africa can embed itself higher in global supply chains, create skilled jobs and build resilience against fluctuation in commodities prices.

From pit-to-port to value creation

Africa must move beyond the traditional pit-to-port approach and start creating real value within its borders. When we co-develop markets, rail, renewables, processing and supply-chain traceability, the value grows and accrues locally. That's how African miners, governments and communities win together.

Zimbabwe, for instance, is Africa's top producer of Lithium and holds the third largest platinum reserves globally. The government is leveraging these resources by encouraging companies to set up processing plants locally rather than exporting raw ore. This shift is not just economic, it is strategic. Beneficiation creates skilled jobs, strengthens governance and positions Africa as a global hub for green technology.

The global context

Both the World Bank and World Economic Forum (WEF) warn that without local value

addition, Africa risks missing its chance to lead in green technology. Industrial policies and strategic partnerships are essential for inclusive growth. The World Bank calls for fiscal frameworks and infrastructure investment to enable beneficiation, while the WEF notes that Africa's demographic dividend and resource wealth can power a new industrial era—if value addition becomes the standard practice.

Financing beneficiation and mineral value chains

Standard Bank plays a pivotal role in financing projects that expand the critical minerals value chain beyond raw extraction. With a presence in 21 African countries – including South Africa, Zimbabwe, the Democratic Republic of Congo and Zambia – the bank is deeply engaged in advancing regional industrialization. Its strong focus on copper and cobalt processing in Zambia and the DRC aligns with the Zambia–DRC Memorandum of Understanding (MoU), supporting initiatives to establish processing plants in the Copperbelt.

These facilities enable local value addition for minerals that are essential components in electric vehicle batteries and renewable energy technologies.

A notable case study in Zambia highlights Standard Bank's facilitation of financing for a midstream processing facility designed to produce battery-grade cobalt sulphate. This investment not only generates employment opportunities but also strengthens Zambia's position as a competitive player in the global EV supply chain, underscoring the bank's commitment to sustainable development and regional industrialization.

Mobilising sustainable finance

The bank has also expanded its sustainable finance ambitions, raising its target to R450bn by 2028, with R177bn already mobilised since 2022. Central to this commitment is the financing of renewable energy projects that power mining operations and industrial hubs, including landmark initiatives such as the 140 MW Ishwati Wind Farm (R4.9bn) and the Diaz Wind Project in Namibia (NAD1.2bn).

In 2024, the bank's renewable energy financing was nearly six times higher than non-renewable, underscoring its dedication to clean energy solutions for beneficiation industries. A compelling case study in Namibia illustrates this approach: Standard Bank structured a blended finance solution for a solar-plus-storage project supplying clean power to a manganese processing plant. This not only reduces the carbon intensity of operations but also enhances energy security, reinforcing the bank's role in driving sustainable industrial growth across Africa.

Rail and logistics modernisation

Efficient logistics remain central to Africa's industrialisation drive, with renewed focus on rail and digital solutions to cut costs and improve competitiveness. Public Private Partnership are being advanced to revitalise Southern Africa's rail network, with potential investment of R100bn to R120bn earmarked for upgrades to Transnet and the Passenger Rail Agency of South Africa (PRASA).

These projects are critical for shifting the region's mineral economy from exporting raw ore to transporting processed goods, supporting local beneficiation. Alongside rail, technology-enabled

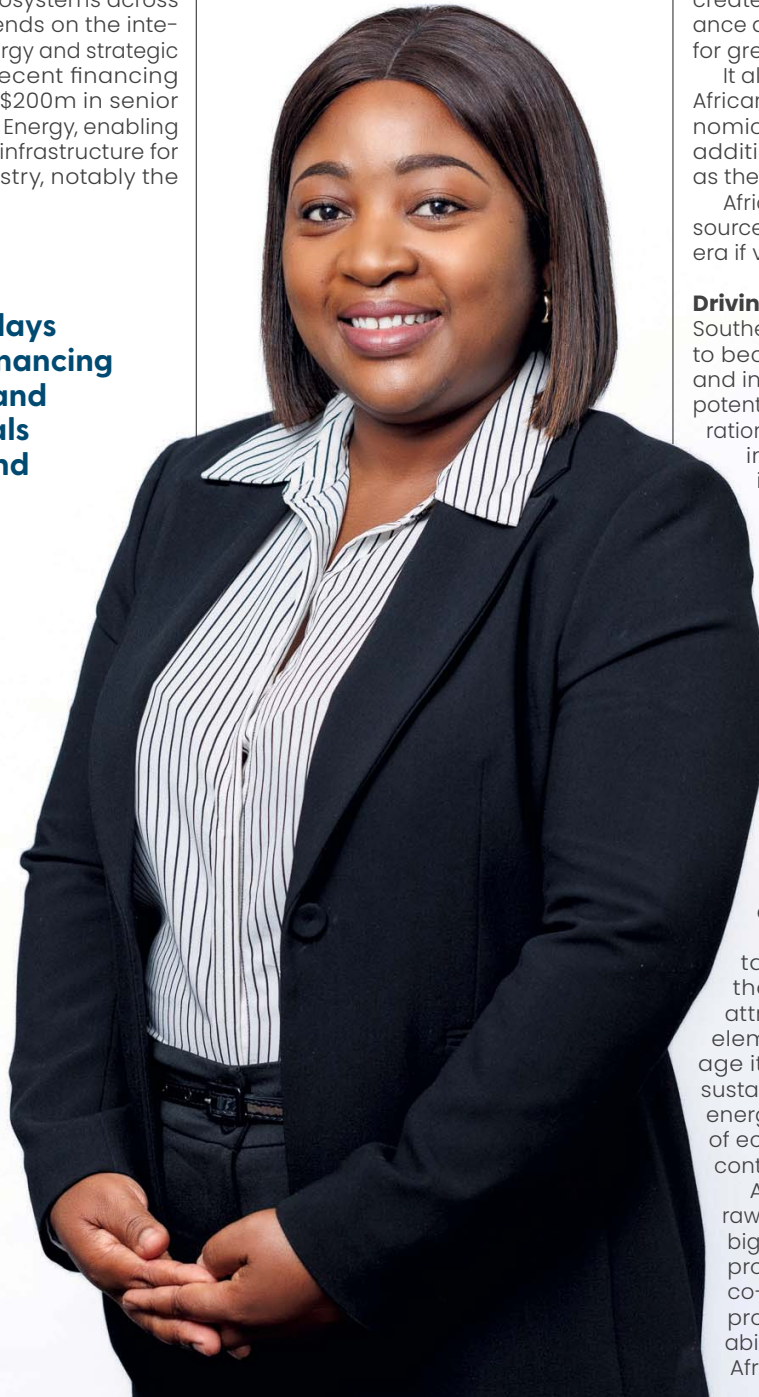
logistics platforms such as Tripplo are improving freight booking and supply-chain visibility across the Southern African Development Community (SADC), strengthening intra-African trade.

In Mozambique, a recent rail corridor upgrade connecting lithium mines to processing hubs has reduced transport costs by 30%, making local refining economically viable and underscoring the role of infrastructure in unlocking industrial growth.

Supporting industrial ecosystems

Supporting industrial ecosystems across Africa increasingly depends on the integration of renewable energy and strategic investment advisory. Recent financing arrangements include \$200m in senior debt for Cross Boundary Energy, enabling the rollout of renewable infrastructure for mining and heavy industry, notably the

‘Standard Bank plays a pivotal role in financing projects that expand the critical minerals value chain beyond raw extraction’



Kamoa-Kakula solar photovoltaic and battery storage baseload project in the Democratic Republic of Congo. Alongside energy partnerships, advisory services are guiding mergers, acquisitions and capital structuring in mining and manufacturing, helping ensure sustainable growth and greater local empowerment within industrial value chains.

Why this matters

Beneficiation is more than an economic imperative; it is a strategic necessity. It creates skilled jobs, strengthens governance and positions Africa as a global hub for green technology.

It also aligns with frameworks from the African Union, World Bank and World Economic Forum, which call for local value addition and infrastructure investment as the fastest route to inclusive growth.

Africa’s demographic dividend and resource wealth can power a new industrial era if value addition becomes the norm.

Driving the future of growth

Southern Africa is increasingly positioned to become a hub for green technology and industrial growth but realizing these potential hinges on coordinated collaboration across sectors. Governments must implement enabling policies that incentivise local beneficiation, while mining companies need to commit to processing minerals within the region rather than exporting raw ore.

Notably, the government of Zimbabwe has introduced fiscal incentives for holders of special mining leases (SML), granting them a reduced income tax rate of 15%, compared to the standard 24.72%. These measures are specifically designed to stimulate investment in beneficiation and local mineral processing, ensuring that value is added within the country rather than through the export of raw materials.

At the same time, financiers are tasked with innovating solutions that de-risk complex projects and attract long-term investment. If these elements align, the region can leverage its critical mineral wealth to drive sustainable industrialization, strengthen energy security and unlock a new wave of economic growth across the African continent.

Africa has served as the source of raw wealth for centuries. Now, there is a bigger opportunity to generate more profits within our continent. When we co-develop markets, rail, renewables, processing and supply-chain traceability, the value grows and accrues to Africa. That’s how we win together. ■

Special report

Mining in Africa

Above cushioned sofas in the waiting room of Guinea's environment ministry, a clock features a face familiar from posters and buildings everywhere in Conakry: Guinea's military ruler-turned-President Mamady Doumbouya. The hands are stuck at a quarter to midnight. But for a nation that has spent three decades caught between promise and paralysis over the world's most coveted source of steel, a long-delayed new dawn may finally be approaching. After its discovery in

After decades of delays, Guinea's giant Simandou iron ore project is expected to begin production in December. Gavin Serkin visited – and talked to the project's key personalities – to discover the state of play.

the late 1990s, Guinea's key mining asset languished in a series of protracted legal and geopolitical sagas.

Rio Tinto, initially granted exploration rights over the entire Simandou range, was abruptly stripped of the northern half in 2008 when a dying President Lansana Conté awarded the asset instead to Israeli businessman Beny Steinmetz's BSGR. In March 2025 Steinmetz lost his final appeal in the Swiss courts against his 2021 conviction for bribery over the Simandou contract. In 2023, a five-year prison sentence was reduced to three years with 18 months to be served. He has announced his intention to challenge the ruling at the European Court of Human Rights.

In 2014, after a lengthy inquiry, President Alpha Condé annulled BSGR's rights on grounds of corruption, triggering further years of litigation. BSGR agreed in a 2019 settlement to relinquish its claims on Simandou. Now, after the decades of false starts,

Visiting Simandou: is Guinea's mining mega-project finally ready?



Simandou is at last rolling into action. Its timing is politically charged: the project is being switched on just weeks before the 28 December election and is chief among President Doumbouya's first administration deliverables.

Rollercoaster ride

On 11 November the first clumps of iron ore travelled from the remote Guinée Forestière region near the southeastern borders with Liberia and Côte d'Ivoire on a newly constructed 600 km railway to the Atlantic port of Morébaya, near the capital, Conakry.

On cue from French signalling equipment, US-made locomotives haul Chinese-built wagons in this carefully balanced multinational project. One by one, the blue wagons rotate 180 degrees, spilling dark-brown loads onto a conveyer belt, which then rises on a shiny red and blue rollercoaster-like structure, before dropping the ore onto waiting barges bound for steel mills in China.

What is unfolding here is more than a mining project. It is an engineering feat of improbable scale, born from determined geopolitical manoeuvring by the world's 35th-poorest nation. Guinea is testing whether a small country can convert its resources into something more enduring than transitory royalty cheques.

Flight into the unknown

For iron ore, once loaded, the journey from pit to port along the new heavy-haul railway takes around 18 hours. By air, the journey is 90 minutes. Below, slate-grey rivers snake through dense forest, punctuated by shacks and muddy paths puddled from the May-to-October rainy season.

At Simandou, terracotta roads carved into hillsides are lined with yellow earth-moving trucks; colossal cuttings traverse mountains resembling a giant's staircase. "Two years ago, this was all jungle," says an engineer with Rio SimFer – operator of the southern half of Simandou – as he sweeps a fluorescent-yellow uniformed arm in a wide circle. The team lowered an entire section of the mountain here by more than 90 metres to create a stable platform for mining. "We cut a track up there and kept pushing until the slope finally let us through."

Some of the world's largest mining trucks, capable of carrying 220-tonne loads, arrive as disassembled giants and are rebuilt on site. Bridges along the national highway had to be reinforced simply to bear their weight. "You can't imagine," reflects the engineer, "how much of Guinea we had to rebuild before we even touched the ore".

Sidiki Koné, a 60-year-old geologist from Kouroussa, a few hundred kilometres north, was part of the exploration team that bored the first deep holes here. "We went more than 185 metres and it was still iron-rich," he says. "We sent the samples to London and people were shocked at the quality." Even at 600 metres, the drills were still cutting through iron ore, he recalls.

Once mined and crushed, the ore travels from the



'Without government pressure, we wouldn't be here. Guinea was very clear: if you want to mine Simandou, you participate in the shared system'

Above: Chris Aitchison, managing director of Rio SimFer.

Opposite: An aerial view of the SimFer mining complex.

mountains of Simandou down a 2.4-kilometre conveyor to a stockyard and onto the newly built railway. At full capacity, Simandou's integrated rail system is designed to run around 40 trains per day, each roughly a kilometre long. The 100 or so wagons carry as much as 8,000 tonnes of ore per trip to Morébaya. The port – an area of mangroves and marsh just three years ago – houses four giant ship-loaders.

A mining reset

If the engineering feat is immense, the politics behind it are even more intricate: rival foreign interests, shifting military regimes, contested mineral rights and years of brinkmanship repeatedly threatened to sink Simandou.

After successive coups, fraught transitions and repeatedly halted negotiations, Colonel Mamady Doumbouya – seizing power in 2021 – installed a technocratic cabinet. He appointed Bouna Sylla – long regarded within Guinea's mining administration as a steady, technical hand rather than a political actor – as minister of mines. Sylla's appointment signalled the regime's intent to reset relations with the mining majors and salvage Simandou.

"We reached a point where the project could have failed," Sylla says in an interview at his office in Conakry. It took months of tense and sometimes all-night negotiations, with partners "hesitating" and "pushing their own direction," before Guinea imposed what he calls "a line everyone had to follow".

That "line" – the 2022 Co-Development Agreement, known informally as Guinea Expectations – forced all partners to pool rail and port infrastructure rather than carve up the country with competing private lines.

Back to China

"Without that pressure from government, we wouldn't be here," says Chris Aitchison, managing director of Rio SimFer. "Guinea was very clear: if you want to mine Simandou, you participate in the shared system."

The compromise created today's unlikely tapestry of global players – each one dependent on the other – from the German-made iron ore crushers to the locomotives from Wabtec in Pittsburg, Pennsylvania. A batch of Chinese-made locomotives were quietly sent back earlier this year to honour the multiparty commitment. The international arrangement is central to avoiding a Chinese monopoly – not only over the mining and infrastructure but, perhaps more importantly, the destination and pricing. The need to feed its steel mills motivates China to use Simandou's considerable output – equivalent to roughly 5% of current global iron ore production at full planned capacity of 120m metric tonnes per annum – not only to maintain supply but to keep prices down. Guinea, on the other hand, intends to wield its influence to prevent a market glut and defend value by, for example, diversifying distribution beyond China to Europe and the Middle East.

"Our main interest is to keep prices high," says

Special report

Mining in Africa

minister Sylla, without elaborating on tactics. Sharing infrastructure has the added benefit of making the project more sustainable – both financially through pooling the cost, and environmentally, by having only one railway cutting through the forests.

Yet, despite the significant achievement of global cooperation at Simandou, no one is under any illusion that China is anything less than the dominant player here. The northern half of Simandou – blocks 1 and 2 – is run by the Singapore–Chinese consortium Winning Consortium Simandou (WCS). Anglo–Australian group Rio Tinto holds 53% of the southern blocks 3 and 4, working with a coalition led by Chinese state-backed Chinalco and Baowu.

For Guinea's part, the state owns 15% of all blocks, as well as the same stake in the railway and port, with veto rights over strategic decisions. These holdings sit within a 35-year concession for the integrated mine–rail–port system.

The state holding company representing Guinea's interests is Compagnie du TransGuinéen (CTG). It is present wherever key decisions on the mine, rail or port are taken, says its chairman Mamadou Nagnalen Barry. This structure gives Guinea “real influence, not a ceremonial share,” he says.

Local workers assume roles

Back at the mine, even the transportation of workers reflects the multinational makeup. Scattered around Simandou are yellow school buses incongruously labelled “North Carolina”, repurposed from across the Atlantic to ferry labourers between the camps, cranes and crushers.

Among more than 25,000 workers stationed across the mine, railway and port, 82% are Guinean. With low literacy levels, training modules are adapted to rely on visual tools and oral instruction.

At a training centre, 69 yellow hard-hatted apprentices – 16 of them women – learn welding, car-

Simandou must create opportunities far beyond the mine itself. Workers will be redirected to the new agro-processing, energy and logistics projects emerging along the rail corridor

Below: An aerial view of the 600 km railway used to transport iron ore from the SimFer mining complex to Morébaya port.

entry, electrics and heavy-equipment operations. A “Simandou Academy” is being launched to build long-term industrial skills.

This training is part of the effort to address what Chris Aitchison at Rio SimFer describes as the biggest risk for Simandou: demobilisation. Employment is expected to more than halve to around 10,000 long-term roles. “If people feel abandoned, they will disrupt the mine,” he warns.

Ministers prefer to use the term “remobilisation”. Simandou must create opportunities far beyond the mine itself, says minister of planning Ismaël Nabé.

Workers will be redirected to new agro-processing, energy and logistics projects springing up along the rail corridor, Nabé projects.

Make way for chimps

Simandou is the critical habitat for a multitude of endangered wildlife. At one key mining ridge, a tunnel burrows 900 metres underground, not for drilling but to allow safe passage for the region's western chimpanzees. Elsewhere, high-voltage pylons are built dozens of metres higher than usual to allow elephants to roam.

Visible for miles, a dense green lung breaks up the brown scraped hillsides. This is the sacred Boyboyba forest – home to a unique plant species discovered by local botanist Denise Molmou.

The entire area is excluded from mining. Nearby seed banks hold more than 3.8m specimens from 42 vulnerable plants to be reintroduced or relocated as mining expands.

In all, the natural corridors and protected sites have cost the miners hundreds of millions of dollars and countless delays.

Everyone has had to learn patience here. Guinea must strike a balance between economic development and environmental and social protections, says environment minister Djami Diallo in her office besides the waiting room with the frozen clock.

“We will develop Simandou, but we will not develop it at any cost.” ■



Guinea's giant Simandou project plans to support a wider industrial ecosystem in a bid to avoid the "resource curse" that bedevils other extractive economies, reports **Gavin Serkin**.

Can Simandou forge a new Guinean economy?



Even in Conakry's most polished hotels and ministries, power outages are a daily reminder that a country with ambitions for energy-hungry steel mills still struggles to power basic services. For Guinea's citizens, it is the key question hanging over the Simandou iron project: can the government muster the energy to turn its mineral windfall into the foundation of a modern industrial economy?

"It is not enough to export rocks," says minister of planning Ismaël Nabé. "The real opportunity is to build industries that endure."

The first step is pelletisation – compressing crushed ore into uniform pellets suitable for direct reduction or smelting. This process reduces impurities and lowers the amount of energy required to make steel.

Simandou's exceptionally high-grade ore makes this processing highly efficient. In fact, this is one of the few iron deposits globally for which "green steel" is viable, partly due to Guinea's renewable energy potential. Sometimes described as West Africa's water tower, Guinea's rivers tumble from the

Above: A SimFer employee walks past a conveyor belt at the mining complex in the Simandou mountain range.

highlands into the Gambia, Senegal and Niger. But, for all its hydro power potential, Guinea generates only 1,200 MW to 1,300 MW, far shy of the 10,000 MW targeted under the government's Simandou 2040 economic programme. Several dams face delays and transmission infrastructure remains limited.

"Simandou is the biggest mining project in the world – of course it needs power on a scale we've never had," mines minister Bouna Sylla says. "That is why value addition must come in phases."

Phase one involves exporting the raw ore. Phase two is pelletisation, powered by hydro and solar. The third phase – smelting – will come only once power infrastructure is in place.

\$30bn plan

All told, Simandou's mine, rail and port and a broader industrial plan – including the first wave of power generation and grid upgrades – will cost an estimated \$30bn to \$35bn. Some of this funding should come from the launch of a new sovereign wealth fund starting next year.

This fund is designed in part to stabilise the exchange rate by absorbing foreign-exchange inflows and investing the money in industrialisation. International governance standards will help prevent currency swings, says Mamadou Nagnalen Barry, chairman of Compagnie du TransGuinée (CTG), the state holding company for Guinea's interests in Simandou.

Guinea is also exploring new funding channels: Islamic finance, Samurai bonds, diaspora bonds and infrastructure vehicles are all on the table, according to minister Nabé. Diversifying financing mechanisms is essential to underpinning long-term industrialisation, he says.

Beyond ore

Guinea's roadmap for eventual steel production mirrors its other big mining activity: bauxite. The world's largest exporter of the key ingredient for alumina, Guinea lacks a refinery for processing.

With rail access, grid expansion and new port capacity, Guinea hopes to become a regional metals hub exporting semi-finished and then finished goods. "We must transform here," says Sylla. "Alumina, steel – these are the industries that will give Guinea real economic power."

Along the 600 km rail line, planners have mapped industrial zones for agro-processing, logistics and manufacturing.

Agriculture may be the earliest winner. Cold-chain facilities at the port of Morébaya will allow produce from upper Guinea to get to markets far more efficiently via improved logistics at the port.

"This railway is not only for iron," says Nabé. "It is for Guinea."

When the power flicks back on in Conakry, the city exhales. The moment captures the contradiction between Guinea's resource wealth and poor infrastructure.

While, ultimately, Guinea wants Simandou to become what oil was for the Gulf – a generational catalyst – success will depend on reliable energy, financial discipline, political stability and the mobilisation of a vast workforce. ■



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At its London Investor Roadshow, AEMBank argued that Africa must break with the pit-to-port model and retain more value from its mineral wealth.

AEMBank stakes its claim as the catalyst for Africa's minerals opportunity

As the global rush for critical minerals intensifies, a new Africa-focused development finance institution is poised to act as a catalyst to harness the opportunity for Africans. The African Extractive Minerals Development Bank (AEMBank), championed by public-private partnership between sovereigns, the African Minerals Strategy Group and private investors, is coming to bring relief to the sector.

At its recent London Investor Roadshow, AEMBank argued that Africa must break with the pit-to-port model and retain more value from its mineral wealth. With demand for critical minerals soaring, the bank aims to become the continent's leading platform for financing mineral-led industrialisation.

Africa's minerals are once again attracting global attention and African policymakers must ensure the continent does not repeat the historic pattern of exporting raw ores while missing out on processing and industrialisation benefits.

This conviction underpinned the AEMBank Investor Road Show in London, attended by institutional investors, sovereign representatives, and development-finance specialists.

The event served as both a pitch to investors and a statement of intent. AEMBank argued that Africa's \$3 trillion in mineral reserves should drive development on the continent, creating value added products, driving industrialisation, generating foreign exchange and stimulating jobs while also ensuring a symbiotic handshake with intercontinental markets.

For the bank, the pit-to-port model has reached its natural end.

A \$100bn capital gap

Africa holds roughly 30% of the world's known mineral reserves but receives less



AEMBank positions itself as the institutional mechanism linking African mineral wealth with sustainable, transparent capital for the value chain from exploration to processing

than 5% of global mining finance. This has contributed to a capital gap exceeding \$100bn, particularly for minerals crucial to the global energy transition. Worldwide demand for lithium, cobalt, graphite, and rare earths is projected to surpass \$16 trillion by 2050. Africa must be firmly empowered to have a seat at the table.

Investors at the London gathering recognised that Africa's resources sit at the heart of these future supply chains.

AEMBank positions itself as the institutional mechanism linking African mineral wealth with sustainable, transparent capital. Its mandate covers the full value chain, from exploration to processing facilities and supporting infrastructure. Less than 15% of minerals mined in Africa are currently processed locally—a share the bank aims to increase.

The bank's governance combines sovereign backing with private-sector discipline. Collaborating with the African

Minerals Strategy Group, which unites 16 mineral-rich countries, Nigeria chairs the group and supports AEMBank's development, including discussions to host its headquarters.

This sovereign support provides the credibility and regulatory consistency needed to mobilise global capital. With a first-phase capitalisation target of \$1bn, including up to \$500m in strategic equity, AEMBank plans to build a scalable platform, attracting investors seeking well-governed exposure to Africa's growth minerals.

Commitment to beneficiation

AEMBank presented a pipeline spanning energy-transition minerals, transport and logistics, and beneficiation and refinery initiatives, reflecting the bank's commitment to higher-value stages of Africa's mineral sector.

The bank emphasises aligning financial returns with developmental impact. Its environmental, social, and governance framework follows international standards, prioritising community engagement, transparency, and ecological responsibility. Industrialisation driven by minerals can create jobs, stimulate small businesses, strengthen regional supply chains, and position Africa as a reliable contributor to the global clean-energy transition.

Following strong engagement in London, AEMBank plans to expand investor outreach through 2026. The institution maintains that Africa's mineral wealth can no longer serve primarily offshore processors. With the right structures, governance, and capital, it can underpin a new era of industrial growth.

As AEMBank told investors, the world's future wealth lies in African soil.

For those seeking early access to Africa's mineral transformation, the moment to act is now. ■

Special report

Mining in Africa

Madagascar's armed forces took advantage of a popular uprising to overthrow President Andry Rajoelina in October. Harry Clynch looks at what the coup could mean for the country's mining sector.

Overthrow of Madagascan government complicates mining outlook

In October, Madagascar's armed forces overthrew the government led by President Andry Rajoelina after weeks of popular protests centred on low standards of living, allegations of corruption and lack of economic opportunities. Upon taking control of the presidential palace in Antananarivo, the authorities discovered 300 kg of emerald rock which they alleged had been hidden by the previous government. The government announced shortly afterwards that the emeralds would be sold on international markets, where at current prices they sell for around \$80 a gram.

Newly installed President Michael Randrianirina, a senior military leader, said: "we discovered this national treasure... we don't know why it was hidden here, but we are simply glad to show that we are ready to live with transparency."

The symbolic gesture was meant to show that the government is making a decisive break from the previous administration – particularly when it comes to the management of extractive resources – but it is unclear whether things will change substantively.

Madagascar's mining industry has come under increased attention from international investors in recent years, given the country's rich reserves of industrial minerals such as graphite, copper and nickel, as well as gemstones like sapphire and ruby.

The country has at least 26m tonnes of graphite reserves, produces around 7,000 tonnes of rare earths annually – making it an increasingly important global player in this strategically important sector – and is one of Africa's largest graphite exporters. The East African nation is also home to lucrative gold reserves, although most exports of the precious metal currently pass through informal channels.

Seeking to capitalise on these opportunities, in-



ternational miners are already active. The Ambatovy nickel-cobalt mine, jointly owned by Japan's Sumitomo Corporation and South Korea's Mine Rehabilitation and Mineral Resources Corporation (KOMIR), and the Soalala iron ore mine, owned by China's Wuhan Iron and Steel Corporation, are just two of the biggest foreign-led projects.

Other multinationals have also invested considerable amounts into Madagascar's mining industry: Rio Tinto has put over \$1bn into its QIT Madagascar Minerals project to develop a mineral sand mine and related infrastructure, for example.

Longstanding industry concerns

But operating in Madagascar and exploiting the full economic potential of the country's resources, has often proved difficult, particularly for smaller players. Michael Randrianavony, co-founder of the GEMVVS mining group based in Antananarivo, tells *African Business* that "many of the mining concessions are owned by foreign companies but they are not operating because there are a variety of laws that still make it difficult for them to jump in."

Mining companies have reported facing a slow and complicated process for obtaining licences, with regulators also prone to unpredictable moves such as imposing periodic embargoes on new mining permits. Issues affecting all businesses – such as poor infrastructure and extremely low electricity access – further complicate the picture. Transparency International, an anti-corruption NGO based in Berlin, has noted that "the procedures for granting mining titles became arbitrary and discretionary, raising suspicions of corruption and discouraging investors."

The Extractive Industries Transparency Initiative (EITI) has similarly noted that "resource constraints" have made it more difficult for Madagascar to implement anti-corruption measures, such as "transparency of contracts and beneficial owners".

They also argue that this, along with the regulator's unpredictable licencing process, has dented the growth of Madagascar's mining industry. "Despite hosting valuable mineral resources, including one of the world's largest nickel mines, Madagascar's extractive exports and activities have been in decline, partly due to moratoriums on mining licences and oil and gas exploration."

Will reform efforts endure?

Prior to the military coup, the previous administration had brought in new laws that sought to standardise procedures and help attract more foreign investment into Madagascar's mining industry. The 2023 Mining Code sought to reassure investors on the safety of their investment by providing "stability guarantees" for mining permit holders. The law also offered more clarity on how permits are granted, renewed and managed, reducing ambiguity and, at least in theory, making the process less arbitrary.

The Code was accompanied by fiscal incentives aimed at facilitating investment, with corporations committing more than \$50m in Madagascar benefit-

ing from exemptions on income tax, custom duties and value-added tax on locally purchased equipment.

The move was largely welcomed as a step in the right direction by international organisations such as the World Bank – which predicted that mining projects investments would "ramp up" following the passing of the Code – but it is too early to tell whether the new government intends to continue with these efforts.

Resource nationalism or technocracy?

October's military coup initially raised fears that mining operations could be significantly disrupted as a result of the political instability, with the American Enterprise Institute Critical Threats project even drawing parallels with the coups in the Sahel, which have led to significant complications for foreign extractive firms.

Critical Threats argued that "political or military instability could affect critical mineral mining on the island... the pro-sovereignist juntas that rose to power in former French colonies in West Africa

have aggressively targeted foreign mining companies to renegotiate lopsided deals." So far, such action has not come to pass. Next Source Materials, a Canadian battery materials development company, said in a press release that their operations in the Molo graphite mine had continued under normal conditions and their exports from the Tulear port had similarly proceeded as usual.

Military coups rarely, if ever, lead to political and economic transparency. But some mining executives hope that the new administration could build on the principles behind the 2023 Mining Code. Ivan Murphy, Madagascar country manager at rare earths company Harena Resources, has argued that the recent protests which brought the military government to power had focused on economic pressures. Murphy posited that this would potentially lead to a government focused on economic stability and foreign direct investment.

The new prime minister, Herintsalama Rajaonarivelo, is a businessman and economist who has previously worked for international organisations including the World Bank, European Union and the African Development Bank. The credit insurance group Credendo has argued that the military's move in appointing Rajaonarivelo could "indicate that the junta wants to prioritise tackling the socioeconomic grievances that fed the protests in the first place, realising that without improved conditions Gen Z protests could easily rekindle.

"This might also indicate a more technocratic and business-friendly approach, compared to the highly authoritarian juntas of the Sahel, where nationalisation measures are frequent."

But most mining investors will be keeping their powder dry pending more certainty from the new administration. "International companies are ready to get involved but they need some more mature legislation to open up the industry before they put down any further major investments," Randrianavony says. ■



Prior to the coup, the previous administration brought in new laws to standardise procedures and attract investment

Above: Michael Randrianirina, newly sworn in as President of Madagascar.

Opposite: Mining ilmenite, a titanium ore, in the Dauphin region of the mineral-rich coastal terrain.



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Mining Indaba 2026 returns to Cape Town from 9–12 February, uniting the entire mining ecosystem. **Laura Nicholson**, Product Director for Indaba, sets out how collective leadership will fast-track breakthrough solutions.

Bringing together every mining stakeholder driving Africa's resource future

What are you anticipating at Indaba 2026?

We expect another record year. Over 70 per cent of the exhibition space was sold within weeks of 2025 closing, signalling strong trust and demand. Delegates return because Mining Indaba consistently delivers value through access to deal-making in the Investment Village, a broader Ministerial Symposium, and Partnership Spotlights where ministers and CEOs engage in solution focused conversations.

How successful was Mining Indaba 2025 and what resonated most with delegates?

Mining Indaba 2025 was a transformative year. It gathered 58 ministers, 1,400 government officials, 625 speakers, and more than 10,500 delegates from 122 countries.

Content struck a balance between policy, innovation, and community. The theme "Future Proofing African Mining, Today" framed conversations across generations and sectors. Delegates praised actionable sessions, inclusive forums, and high impact networking.

The investor experience was strong with over-subscribed matchmaking sessions and the Investment Village creating new partnerships.

Diversity and inclusion stood out, with indigenous and community voices centred, while women accounted for around 40 per cent of speakers.

Women's representation was strengthened by the Women in Mining lounge and partnerships with WIMSA and AWIMA.

Youth and PhD voices were integrated through the Young Leaders programme and university partnerships, ensuring future leaders had a seat at the table.

Downstream buyer attendance more than doubled over 2024, connecting mining to battery, automotive, and renewable sectors. CEO panels drew high engagement and reasserted Indaba as a stage for thought leadership.



For 2026, we are expanding community content and have launched an influencer campaign to deepen engagement and amplify voices across Africa.

What are some highlights and new features for Mining Indaba 2026?

Under the theme "Stronger Together: Progress Through Partnerships", Mining Indaba 2026 is our boldest edition yet. Key features include: a Critical Minerals Programme exploring Africa's strategic role in the global energy transition, backed by the Critical Minerals Committee and DMPP; Partnership Spotlights highlighting candid minister and CEO dialogues; and a Downstream Buyers Programme connecting automotive, aerospace, chemical, and renewable sectors to drive local beneficiation.

The Pitstop Networking Space will be a casual, high energy hub for organic deal-making; Industry Intel will feature interactive theatres and roundtables with sharp, data driven insights; the Junior Mining Showcase will spotlight Africa's next generation of projects, offering visibility and investor connection.

A Technology Showcase will feature global innovators demonstrating how Africa can adopt and scale new technology; expanded CEO Participation will include leaders from Harmony, Exxaro, Valterra, and Thungela; and enhanced community engagement will give communities a stronger platform through dedicated programming, cultural

heritage, and legacy development.

Sustainability is woven through every programme, not isolated as a standalone topic.

What is the significance of the 2026 theme, and why was it chosen?

"Stronger Together: Progress Through Partnerships" reflects the moment; it's a call to action for the entire value chain to collaborate, innovate, and invest in Africa's long-term growth story. The future of mining in Africa depends on how effectively we work together.

In today's shifting geopolitical landscape, why is Mining Indaba more important than ever?

Africa is no longer just a supplier of raw materials. It holds the keys to global decarbonisation, industrialisation, and energy security. With new trade blocs forming and resource nationalism reshaping supply chains, MI26 will be the place where Africa asserts itself as a strategic partner, not a passive participant.

What impact do you hope Indaba 2026 will have?

I want MI26 to be remembered as the year African mining set a new course. Where collaboration replaced silos, where youth voices reshaped the conversation, and where technology and sustainability were not side notes but the headline. If delegates leave feeling they were part of a turning point – that's when we know we've succeeded. Africa holds the keys to industrialisation, decarbonisation, and global security. As resource nationalism, trade blocs, and geopolitical tensions reshape supply chains, Mining Indaba 2026 becomes the place where Africa speaks with one voice: bold, unified, and future-focused. The convening power of Mining Indaba is unmatched. By bringing every stakeholder including governments, investors, miners, buyers, communities, and innovators into one room, we can shape the future of mining together. ■

Africa is home to nearly 50 million displaced people living in overcrowded refugee camps with limited to economic opportunities little hope for the future. Yet beneath these constraints lies largely untapped markets, leaders who are building businesses, creating informal markets, and driving innovation from the margins. But a shift of view can see them as unexpected economic assets and the camps as crucibles of innovation. This was the message from a discussion organised by Amahoro Coalition during the this year's last UN General Assembly (UNGA).

A continent transforming through displacement - and the buried potential within

With nearly 50m Africans lacking a stable home due to conflict, economic distress and climate shocks, displacement has become one of the most pressing challenges facing the continent. However, speakers convened by the Amahoro Coalition on the margins of the September UN General Assembly (UNGA) meetings in New York, argued that recognising refugees as economic actors, creators of demand and

contributors to value chains, is essential for designing more sustainable market-based solutions. The economic potential of refugees can help deliver much more sustainable solutions. Isaac Kwaku Fokuo, Founder and Curator of the Amahoro Coalition, noted that the platform offered a unique opportunity to position Africa's displacement agenda within a global policy and investment context. "The UN General Assembly serves as a global focal point for dialogue, policy influence and partnership-building," he said. "At Amahoro Coalition,

one of our core strengths lies in convening the private sector and governments to harness Africa's demographic dividend and catalyse investment in displaced communities across the continent."

Zahirah Marty, a television personality who moderated the event, said the challenges that refugees face are not random but systemic. "There are invisible borders that they face too: borders of opportunity, borders of investment, and borders of perception.

"Africa is home to more than 45m dis-

Opposite: Refugee and Wellesley College graduate Chantale Zuzi.

Below: Amahoro Coalition fellows showcasing a solar power system with Isaac Kwaku Fokuo, founder of the Amahoro Coalition (centre).



placed people, representing nearly half of the global displaced population. Unlike other regions, the vast majority, nearly 97%, remain on our continent... When we think of refugees in Africa, the first image is that of vulnerability – that image of the silver bowl in hand. But there is another, far more powerful reality. These communities are resourceful. They are young, they are talented, they are building, they're innovating, and more than anything, they are contributing.

"We're not here to talk about aid. We're not here to talk about vulnerability. We're here to move towards resilience, opportunity, and vision. It's about asking not how we respond to displacement, but how we can shift how we think about it entirely."

Changing global perspectives

One example of what can happen when refugees are given an opportunity to reach their potential was provided by Chantale Zuzi, Founder of Refugee Can Be Foundation, who battled prejudice due to her albinism in her native Democratic Republic of Congo. "When I was born, people wanted to kill me because of my skin colour. But my mother saw me as a gift from God." After losing both parents in a violent conflict, Zuzi had to flee to Uganda. "This is when I was given the name 'refugee,'" she recalled. Five years of displacement exposed her to the harsh realities of camp life. "I witnessed the anguish young women faced when they could not have enough food to feed their children, students not having school fees to pay for tuition, basic needs stripped away. You lived in a tent, slept on a storm mat. How would you even think about education when basic needs are not met? My identity was reduced to a paper... because I didn't have a passport, I had to be treated differently."

Zuzi eventually resettled in the US in 2018. Earlier this year, she graduated from Wellesley College. She has set up her foundation, Refugee Can Be, to support the education of refugee girls in the camps where she once lived. "We are more than that name, 'refugee'. We can do anything in this world. If only refugees like me had the opportunities and support, what they can do in this world is unstoppable."

Bright Simons, Founder and President of mPedigree and a Public Policy Analyst, in a fireside chat with Bathsheba Asati, principal strategy custodian for growth at the Amahoro Coalition, pointed out that "of the five top host countries, only one is in Europe – Germany. All the rest are in the global south.

"If you have 430,000 people pushed into five square miles, it does generate huge problems around sanitation and health. But at the same time, it generates amazing business opportunities... Even the lack of

sanitation can be flipped. Waste is cheaper to collect, so biogas and recycling become more viable than in Nairobi or Kigali," he observed.

Forced coexistence, he noted, also creates meritocratic environments. "When Somalians, who come from a clan-based culture, are displaced into places like Kenya, it's amazing how that transforms into highly democratic societies. You throw away the identities that divide you and focus instead on ambition and drive." Refugees, he added, often become "incredibly easy to train" because they adapt quickly, having been "rootless for a while" and eager to learn.

Further, forced coexistence creates meritocratic environments. "When Somalians, who come from a very clan-based culture, are displaced into places like Kenya, it's amazing how that transforms into highly democratic societies. Suddenly you throw away the identities that divide you, and focus instead on ambition and drive." Refugees, he added, often become "incredibly easy to train" because they adapt quickly, having been "rootless for a while" and eager to learn.



'We can do anything in this world. If only refugees like me had the opportunities and support, what they can do in this world is unstoppable'

Humanitarian-industrial complex

Simons warned against what he termed the "global humanitarian-industrial complex," arguing that the aid-driven model entrenches dependency rather than encouraging innovation. With many refugee camps evolving into permanent settlements, he said, there needs to be a shift away from short-term relief toward strategies that embrace economic activity, investment, and self-governance.

Refugee settlements provide fertile ground for experimental approaches to governance. Their density and oversight create conditions to test digital governance systems, transparency tools and even direct democracy in aid allocation.

Fokuo reminded the audience that when the UNHCR was established in 1945, the prevailing model assumed temporary displacement: people would need to be kept safe for two or three years until they could return home after conflict. "But Somalia has been fighting since 1981 and no one is going back home," he pointed out.

Thus humanitarian aid prioritises short-term survival, but very little financing flows to refugees as entrepreneurs. "We need to unlock financing and create funding flows to refugee communities. At best, they got \$200 or maybe \$1,000 in credit," Fokuo noted, contrasting this with the Amahoro Coalition's programme, which provides grants of up to \$150,000. Such investments, he said, are crucial to allow businesses in refugee communities to grow beyond subsistence.

Human capital and advocacy

Fokuo explained the Coalition's dual approach: human capital and advocacy. It supports displaced entrepreneurs with grants and market access, while it advocates for systemic reforms such as freer labour mobility under the African Continental Free Trade Area (AfCFTA) and policies that encourage African philanthropy. "Africans give," he said, "but less than 20% of philanthropic dollars stay on the continent. Governments don't make it easy to give at home."

Finally, Fokuo stressed the need for syndicated African capital to rebuild fragile economies. Drawing parallels with post-war Japan and Europe, he argued that Africa must also commit its own resources to reconstruction after conflict.

He cited efforts such as that of Equity Bank leader James Mwangi's initiatives and Somali reinvestment in local infrastructure as promising signs. "If African investors put in the first half a billion to repair Sudan's sewer system, peace becomes an economic necessity," he argued.

The African private sector, should be fully engaged with these efforts, partnering organisations such as the Amahoro Coalition.

With continuing conflicts and accelerating climate change, the issue of displacement is likely to take on increasing urgency. More sustainable solutions that go beyond merely providing food and shelter are needed.

Refugees should not be viewed as burdens on their hosts, but as contributors whose enterprises, skills and innovations can strengthen local markets and accelerate regional economic resilience. Refugees should not be viewed as burdens on their hosts, but as potentially part of the solutions and settlements as a wellspring of ideas and innovations that can benefit the wider society. ■

Value addition

Nigeria has introduced an export ban on raw shea nuts in order to encourage local processing of the beauty ingredient, but harvesters and transporters say they have been hit by the hastily introduced measure, writes Dulue Mbachu.

Nigeria wields ban in bid to beautify shea nut industry

In August, Nigerian President Bola Tinubu imposed a six-month ban on shea nut exports, a vital ingredient in the multi-billion-dollar global cosmetics, food and pharmaceutical industries. Nigeria accounts for more than 40% of global production, most of which is harvested by women and sold to middlemen and exporters.

Only 1% of the global value of the produce is retained in Nigeria, according to officials of the Presidential Food Systems Coordinating Unit that recommended the ban. “Nigeria’s shea is our green wealth,” said Tinubu as he announced the ban. “I have approved a six-month suspension of raw shea exports to secure supply for local processors, create jobs and protect a value chain where 95% of pickers are women.”

Governments across the continent are insisting on more local processing and discarding the old model of exporting raw materials and importing expensive finished goods made with them (see page 44). The Tinubu administration is seeking to replicate this template across the agricultural and extractive industries.

Announcing the ban, vice president Kashim Shettima insisted that it would lead to a dramatic increase in the value of Nigeria’s shea exports. “Nigeria produces nearly 40% of the global shea product, yet we account for only 1% of the market... of \$6.5bn. This is unacceptable. We are projected to earn about \$300m annually in the short term, and by 2027 there will be a 10-fold increase. This is our target.”

Shettima said that the move is not “an anti-trade policy, but a pro-value addition policy designed to

secure raw materials for our processing factories and enabling industries to run at full capacity, thereby boosting rural income and jobs for our people. By protecting the shea industry, we are protecting livelihoods, dignity and opportunity for millions of our women.”

Minister of agriculture and food security Abubakar Kyari said that export restrictions in Ghana, Burkina Faso, Mali and Togo left Nigeria vulnerable “as the outlier and a hotspot for opportunistic and unregulated buying... Informal exports, estimated at 90,000 metric tonnes annually, are draining our domestic supply.”

“The reasons for this presidential directive are clear. Without corrective action, Nigeria risked becoming a raw depot for opportunistic and illicit buyers, undermining our processors’ capacities, disempowering rural women and forfeiting billions in potential export revenues.”

Price plunge

But the impact of the ban has been mixed. Immediately after its imposition the price of shea nuts decreased by more than 33%, from \$798 per ton to \$532. Prices have since recovered to around \$654 a ton, about 18% lower than before the ban.

It was reported in late September that some women farmers and male labourers who transport the crop had lost almost half of their income from the nuts since the export ban. Despite the government’s insistence of excess capacity – it points to a national

Shea’s attractive proposition

A traditional beauty product used as a skin moisturiser and in the treatment of cuts and abrasions, the butter extracted from the shea nut is now globally popular as an ingredient in cosmetics and other skin care therapies. Shea butter’s ability to moisturise the skin, keeping away the wrinkles and spots of ageing, is driving demand for cosmetic products formulated with it. This is even more so in parts of the world with ageing populations such as Europe, parts of Asia and North America.

According to the Global Shea Alliance, about 10% of shea exports are used in the global cosmetics industry. It is estimated that about 20,000 to 25,000 tonnes of shea butter are used each year in the industry.

Shea butter is also used in lotions, creams, lip balms, lipsticks, sun creams, soaps, shampoos and hair conditioners. Manufacturers are experimenting and introducing new products that incorporate shea for its unique impact on the skin. Its use in beauty products has evolved as a segment of the global cosmetics business worth more than \$1.4bn of a global shea market valued at \$2.4bn in 2025, according to Transparency Market Research.

About 90% of all shea exported from Africa is used in the food industry. In Africa, shea butter is used as a cooking fat, while globally, shea butter is used in fats, pastries, and confectionery. The international food industry mainly processes the butter into stearin and uses it as a cocoa butter replacement.

Opposite: Women spread out roasted and ground shea nuts to dry at the Talba Shea Butter Village in Kodo.



installed capacity of 160,000 metric tonnes – the BBC reported that the sudden ban in the midst of harvest season “led to a fall in demand for the shea nut as there is not enough local capacity to process all of the country’s harvest”.

“It hasn’t been easy,” Maimuna Abba, who trades in shea nuts in the town of Keffi, some 70 kilometres north of the capital, Abuja, tells *African Business*. “We can only hope the ban isn’t extended when the current one comes to an end.”

Within Nigeria, the established export-oriented supply chain faced immediate disruption and loss of revenue in the ensuing price slump. “The biggest losers turned out to be the rural women who sourced the shea nuts and those of us who bought off them and supplied exporters,” says Clement Attah, a buying agent based in the northern city of Minna. “I was forced to sell my own stock at half the prices I bought [at] just to cut my losses.”

Europe, a major destination of Nigerian shea, was hardest hit by the price volatility caused by the withdrawal of Nigerian supplies. Processors in Germany, one of the top buyers, experienced initial supply disruptions before switching to supplies from Ghana, Burkina Faso and Mali at higher prices.

While nut harvesters have been badly impacted, some local processors have benefited from the export curb and consequent price slump. They have used the opportunity to build up supplies and are

‘By protecting the shea industry, we are protecting livelihoods, dignity and opportunity for millions of our women’

expanding operations. That fits with the government’s stated aim to boost the sector and allow it to capture more value locally.

“Many shea processing factories are under-utilised, operating at 35-50% capacity,” said Suleiman, a manager at Abuja-based processing company Salid Agriculture. “By securing the supply of raw materials for these local processors, the government hopes these plants will run fuller, creating more jobs in rural areas.”

Government plans for future

The government says that boosting local value addition is key to the ban.

“Shea is also identified in our Zero Oil Plan as a strategic non-oil export,” said minister Kyari. “With projected global market growth from \$6.5bn today to \$9bn by 2030, Nigeria can position itself at the heart of this expansion... It will secure domestic supply, enable processors to operate at full capacity, curb informal trade, and lay the foundation for Nigeria to transition from exporting raw kernels to exporting high-value derivatives such as butter, olein and stearin.”

Despite the hit to women harvesters, a government statement insists the ban will ultimately support women. “The Minister [Kyari] further noted that since 90% of pickers and processors of shea are women, investment in this value chain would directly translate into women’s empowerment, rural job creation and sustainable livelihoods.” ■



Opposite: Concrete blocks are made ready for the construction of the Dakila Ariside Port (above).

Held under the theme “Capital, Corridors, Trade: Investing in infrastructure for the AfCFTA and shared prosperity”, the III Financing Summit for Africa’s Infrastructure Development, held in Luanda in October, drew more than 2000 delegates. Investors reviewed infrastructure projects worth more than \$43.9bn in the deal rooms, writes **Lennox Yieke**.

Financing infrastructure on Africa’s terms: Luanda summit urges shift to domestic capital and self-reliance

João Lourenço, President of Angola and the African Union (AU) Chairperson, officially opened the III Financing Summit for Africa’s Infrastructure Development, held in Luanda in October. This summit convened heads of state, ministers, global investors, heads of multilateral development banks, and private sector leaders to deliberate on strategies to transform Africa’s infrastructure ambitions into bankable, investment-ready projects.

“We are here to reaffirm our vision for a connected, integrated and resilient Africa,” he said. “Africa faces a colossal infrastructure financing deficit estimated by the African Development Bank [AfDB] to be between \$130bn and \$170bn. This hampers economic growth and perpetuates regional inequalities,” he noted.

Drumming up support for PIDA

President Lourenço urged Africa’s leaders to intensify their support for the Programme for Infrastructure Development in Africa (PIDA), which is the AU’s strategic framework for developing cross-border infrastructure in transport, energy, water and information and communications technology (ICT).

“The success of Agenda 2063 depends largely on implementing the Programme for Infrastructure Development in Africa, which drives integration, economic growth and sustainability. The Luanda Summit

should mark a milestone in policy and resource mobilisation to realise the AU’s infrastructure agenda,” he said.

He noted that the summit would serve not just as a policy forum, but a platform to rally investor support and unlock funding for promising infrastructure projects in Africa. “In this summit there is an expectation of identifying financial solutions to a set of pre-selected infrastructure projects under PIDA.”

“The important preparatory work conducted by AUDA NEPAD [African Union Development Agency – New Partnership for Africa’s Development] and AAMFI [Alliance of African Multilateral Financial Institutions] will enable the financial institutions here to duly consider and evaluate each of these opportunities,” he remarked.

Spotlight on Angola

President Lourenço highlighted some of the investment opportunities in Angola’s infrastructure sector, including the Lobito Corridor – a strategic logistics route connecting the port of Lobito in Angola to the mineral-rich copperbelt regions of Zambia and the Democratic Republic of the Congo (DRC). Project sponsors say the Lobito Corridor will boost regional trade, unlock critical mineral exports and drive economic integration across Southern and Central Africa.

He outlined some of the progress Angola has made in its efforts to expand

and modernise its infrastructure. “Many of you may have landed at the new modern Antonio Agostinho Neto International Airport and seen for yourselves. We are also expanding the existing port and building a new deep-water port,” he said.

Leaders insist on self-reliance

Self-reliance was the watchword in the speeches that followed. In the face of constrained capital flows to Africa, speakers underlined the urgent need for Africa to tap into domestic pools of capital. According to the 2025 *State of Africa’s Infrastructure Report* from the Africa Finance Corporation (AFC), African pension funds, insurance firms, sovereign wealth funds and public development banks collectively hold over \$1.1 trillion in domestic capital. Broader estimates, including commercial bank assets and remittances, place the total at more than \$4 trillion.

“We should mobilise our own capital to finance our infrastructure. We have resources in our sovereign wealth funds, pension funds and insurance companies, but they are largely invested out of Africa. We need to reverse the current logic. It is time to create mechanisms that are able to channel these resources to African infrastructure,” said Faure Essozimna Gnassingbé, President of the Council of Ministers and head of government of the Togolese Republic.

Mahmoud Ali Youssouf, Chairperson



Below: João Lourenço, President of Angola and the African Union (AU) Chairperson, officially opened the III Financing Summit for Africa's Infrastructure Development.



of the African Union Commission, echoed the call for African capital to lead the way in African infrastructure projects. This, he stressed, empowers Africa to assert greater autonomy in joint development initiatives with international partners.

“External financing remains useful, but it must not be the driving force of our development. We must move from a logic of assistance to a logic of alliance, where partners align their engagements with priorities defined by Africa itself,” he said.

“This summit is a timely political statement. Our continent should reaffirm its capacity to finance, plan and conduct its own transformation... If we do not master our own corridors, resources and networks, others will do so in our place,” he added.

Greater speed and urgency needed

Nardos Bekele-Thomas, CEO of AUDA-NEPAD, underlined the need for speed and urgency, noting that Africa was shouldering an “unbearable cost” due to infrastructure gaps. “Our continent’s infrastructure deficit is a massive economic drain. It costs us up to two percentage points in annual GDP growth and reduces productivity by as much as 40%,” she said.

“Intra-African trade is stuck at just 15% to 18%, hobbled by structural barriers that make it prohibitively expensive to trade with each other. Our logistic costs are almost double global norms, consuming 20% of operating costs in some sectors,” she stated.

She diagnosed some of the root causes of underinvestment in African infrastructure, citing a fragmented financing ecosystem, political pressure and limited technical capacity in some states as major constraints.

“Finance is still fragmented. We are competing among ourselves for the same pool of capital, project by project... we can no longer treat financing as a fragmented marketplace of scattered deals. We must transform it into a unified strategy where member states strategically fund our development finance institutions [DFIs] and our DFI in turn channel that capital into



‘External financing remains useful, but it must not be the driving force of our development. We must move from a logic of assistance to alliance’

Mahmoud Ali Youssouf

priority bankable projects,” she said.

“Politics and procedures slow us down. Too many priority projects depend on temporary goodwill. When leadership changes or national interests clash, the continental corridor stops,” she added.

“Capacity is uneven. If one country in a corridor cannot move, the entire corridor is bottlenecked. We must make national capacity to be continental capacity. The cost of inaction is unbearable,” she continued.

Assets that promote industrialisation and jobs

In a panel discussion to conclude the summit’s opening ceremony, speakers underscored the need for Africa to develop infrastructure assets with industrialisation and job creation in mind. Samaila Zubairu, president and CEO of AFC, said that “the defining challenge of our times” was creating employment for the multitudes of African youth joining the labour force each year: “12m young Africans enter the job market every year yet only 3m formal jobs

are created, leaving a gap of 9m jobs annually. Fast forward to 2030 and we face 45m jobs not created,” he said.

“The path forward is not more aid or charity from abroad. It is industrial transformation, the transformation of our rare earth minerals into jobs for Africa. Unless we convert African raw materials into processed goods for the future, produced locally in African factories by African workers for Africa’s markets, we will remain price takers in a world already moving ahead without us,” he said.

Lerato Dorothy Mataboge, Commissioner for Infrastructure and Energy at the AUC, called for an inclusive approach to infrastructure development to ensure local firms and communities benefit alongside international partners. She also echoed the call to prioritise infrastructure assets that can advance industrialisation and job creation.

“We must inculcate two principles,” she said. “First, African content must lead our infrastructure rollout—African financing, African skills, African innovation as primary and we crowd in other partners. Second, we must advance projects that stimulate industrialisation, so that we are judged by how we have industrialised this continent,” she continued.

Making room for private capital

Ndiamé Diop, Regional Vice President for Eastern and Southern Africa at the World Bank, noted that there was a need for countries to make more room for private capital to flow into infrastructure projects. Public balance sheets, he argued, are currently stretched thin.

“We recognise that public funds will not be sufficient. Even in the countries that have fiscal space, it will be extremely important to mobilise private capital for their expertise and ingenuity,” he said, underlining the need for more bankable, de-risked projects to attract private investors.

Alain Ebobissé, Africa50 CEO, said that innovative platforms and structures could be leveraged to attract more private African capital into infrastructure. He cited

Private capital needed to accelerate Africa’s digital transformation

Although information and communications technology (ICT) has emerged as a crucial driver of the global economy, Africa has not fully harnessed its potential due to significant gaps in digital infrastructure. Only 43% of Africans had internet access as of 2024, compared to over 66% globally, and

the continent accounts for less than 1% of global data centre infrastructure, severely limiting cloud services and deployment of artificial intelligence (AI).

Closing this gap demands innovative financing models. “African countries have extremely limited fiscal space. We need to attract private sector investment but there is a risk perception to overcome,” said Pietro Toggio, country manager for Angola at the African Development Bank. He

said that the use of blended finance instruments – mixing public and private capital – had become more essential.

“We are working on an example in Nigeria where we are setting up a special purpose vehicle that the Nigerian government is capitalising with 25% of its own equity. It is hoping to attract 75% equity from the private sector and use this equity to issue bonds, ideally backstopped by partial credit guarantees from DFIs [development finance institutions].

the examples of the Africa50 Infrastructure Accelerator Fund and the institution's asset recycling programme.

"When we raised the Africa50 Infrastructure Accelerator Fund, a \$500m fund, we decided to first go and raise money from African investors before we went global. As a result, out of 22 investors that we have in our fund, 20 are Africans. It's only \$500, but we are showing the way by providing the right instruments for our pension funds and sovereign funds to come in," he said.

Four priority sectors

Over three days of high-level deliberations, the summit zeroed in on four priority sectors: transport and corridors, energy, digital transformation and water and sanitation. Nardos Bekele-Thomas, CEO of the African Union Development Agency – New Partnerships for Africa's Development (AUDA-NEPAD), said the robust investor engagement in the deal rooms fulfilled a key summit objective.

"The design of this summit was intentional – to move beyond speeches and to create a dynamic marketplace. Here project owners met directly with investors to negotiate and advance specific projects, taking us from rhetoric to concrete financing," she said at the closing ceremony.

"The deal rooms have been the engines of this summit. We have seen compelling transactions presented across four key sectors with a total portfolio value of no less than \$43.9bn in investable opportunities," she continued.

Giving a breakdown of the opportunities by sector, she noted: "In transport, we advanced \$25bn in crucial corridors and logistics networks. In energy, we secured \$15bn for power interconnectors and generations. In water we highlighted \$2.7bn in vital resource security projects and in ICT we catalysed \$1.2bn for backbone digital infrastructure. Our task now is to transform this quantum into concrete outcomes."

African capital leading the way

Bekele-Thomas described the Luanda Summit as a watershed moment for Af-



'We came to this summit with a clear commitment to finally mobilise African capital – public, sovereign and private – to act in unison'

Nardos Bekele-Thomas

rica's development. The continent, she noted, is shedding its reliance on external financiers and increasingly looking inward to its own institutions to finance infrastructure development and economic transformation.

She called on DFIs to step up support for project preparation, noting that this would boost the bankability of projects and ensure that more of them get to financial close quicker.

"We came to this summit with a clear commitment to finally mobilise African capital – public, sovereign and private – to act in unison, with a dedicated focus on the critical stage of project preparation," she said.

"The signals from our own financial institutions are clear and powerful. AAMFI [the Alliance of African Multilateral Financial Institutions] has committed \$1.5bn for infrastructure financing aligned with Agenda 2063, with \$100m strategically ring fenced for project preparation – the essential fuel for our pipeline," she continued. She an-

nounced that – in partnership with the AfDB – Africa50, Afreximbank and AFC are designing an infrastructure guarantee platform that aims to mobilise \$10bn in de-risked investment by 2030.

"Our shared goal is clear: to raise Africa's private investment share in infrastructure from 10% today to 25% within a decade," she noted.

Declaration endorses opportunities

The Summit declaration endorsed the investment opportunities presented at the summit, including the commitment by financial institutions and development partners to support 13 priority projects under the AU's Programme for Infrastructure Development in Africa (PIDA). Together, these 13 projects represent a targeted investment mobilisation of \$18bn and aim to accelerate connectivity, energy access and regional integration across the continent.

The declaration called for sustained reforms to the global financial architecture, emphasising the need for African nations to secure infrastructure financing on more equitable and competitive terms. It urged "multilateral development banks [MDBs], development finance institutions and international partners to ease financing conditions, including debt restructuring, Special Drawing Rights [SDRs] rechanneling, and concessional financing to unlock greater financial capacity for infrastructure development in Africa".

Lerato Mataboge, the AU Commissioner for Infrastructure and Energy, said: "we are moving from commitments to coordination, from dialogue to delivery... The summit declaration represents Africa's shared resolve to deliver bankable projects that change lives... We therefore leave Luanda not only inspired, but

mobilised. We will carry forward the spirit of collaboration that has defined this summit, and we will turn every commitment into a corridor, every vision into a viable project, and every handshake into a lasting relationship." ■

This construct aims to finance 90,000 kilometers of broadband across the Nigerian territory."

John Tanui, Permanent Secretary at Kenya's Ministry of ICT, said "Kenya has had quite an experience when it comes to digital infrastructure. We have invested over the years in the foundational infrastructure, including nine submarine cables connecting to Mombasa, making the country a key digital hub in the East African region... The role of the private sector is critical

in building reliable, sustainable digital infrastructure. The government's role is to de-risk and improve the policy environment," he said.

Harpal Mann, CEO of Clearmobitel, outlined the company's strategy to enhance connectivity for rural communities in Zimbabwe. "It's a challenging environment. It's got sanctions and there has not been any significant investment into the country," he said. But after engagement with the country's political leadership to remove

barriers to investment the company now plans to inject \$200m in Zimbabwe over the coming years.

"We met with the president and there was a political will for the government to make the country open for business and remove impediments for the private sector to come in... our investment is not just in ICT but digital transformation of the digital economy. We're looking at how digital solutions can help rural folks participate in the economy."

African governments are being urged to open power transmission to private investors to bridge the gap between growing electricity generation and inadequate grids. At Africa50's roundtable in Luanda, leaders called for reforms, PPPs and clear policies to unlock private financing.

African governments urged to open up power transmission to private investors

Africa has expanded its power generation in recent years, but the transmission networks needed to deliver that electricity to people and businesses have not kept pace. Ageing and fragmented grids mean power often cannot reach the communities and industries that need it most, leaving generation underutilised and millions without reliable access.

With public budgets under pressure, financing transmission has become a pressing challenge, and a key topic at Africa50's high-level roundtable on the sidelines of the Luanda Financing Summit in Angola. Ministers, investors and policy-makers came together to discuss how new approaches, especially greater private sector participation, can help accelerate the development of modern, interconnected grids across the continent.

"We often speak of success stories in power generation projects. But we cannot carry that power without having transmission," said Alain Ebobissé, CEO of Africa50, while opening the roundtable discussion.

"Almost all transmission projects in Africa are financed with public money. There is to my knowledge no independent power transmission on the continent," he noted, highlighting Africa50's efforts to pioneer Independent Power Transmission (IPT) models in several African countries as a way to crowd in private investment.

"Africa50 is working in various countries to try and implement some of the first Independent Power Transmission projects. In Kenya, which is the country where we have advanced the most, we teamed up

with PowerGrid to develop an Independent Power Transmission project. In Angola we are looking at a PPP [public-private partnership] in transmission," he remarked.

Integrating the grid in southern Africa

The Honourable João Baptista Borges, Angola's Minister of Energy and Water, said that the country is prioritising cross-border transmission infrastructure to strengthen regional power integration and boost energy trade. He highlighted several ongoing projects to link the country's grid with neighbouring markets, including DRC, Congo, Zambia and Namibia.

"We want to integrate the electrical system of southern Africa and take important blocks of capacity. This capacity will result in consumption particularly by the extractive industry. There is huge demand and we have received many manifestations

of interest," Honourable Borges said. He noted that the country's President, João Lourenço, had tasked the ministry to seek out private investors to help speed up the deployment of new transmission infrastructure. As part of this effort, Angola has embarked on an ambitious reform programme to make its power sector more attractive to private investors.

"We liberalised the transmission space to allow the private sector to step in... We also need to move forward in terms of tariff reforms. We are working on the next steps in order to have prices that reflect the cost of energy," he added.

Policy and regulatory clarity essential

Private sector capital can be mobilised to deploy transmission infrastructure faster, but only if governments provide clear and predictable policy frameworks, argued Ndiame Diop, Regional Vice President for Eastern and Southern Africa at the World Bank.

"Beyond investment, what will be required will be clear regulation and consistent policy to make sure private sector participation can be secured. They will need clarity, certainty and visibility on the regulatory framework to be able to invest," he remarked.

Diop echoed the call from Angola's minister for reform of electricity pricing mechanisms across the continent. He noted that investors are more likely to back transmission projects when tariffs reflect the full cost of electricity – from generation through to distribution. Without cost-reflective pricing, private operators cannot recover costs or secure financing. He also



‘Almost all transmission projects in Africa are financed with public money. There is to my knowledge no independent power transmission’

Opposite: President João Lourenço addressing the Luanda Financing Summit.

Below: from left to right: Dr. Donald Kaberuka, Chairman, Board of Directors, Southbridge; Alain Ebobissé, CEO of Africa50; and Admassu Tadesse, President and CEO, Trade & Development Bank.



called for reforms of public utilities. Many public electricity utilities in Africa suffer from weak balance sheets and limited commercial viability, undermining their ability to invest in new infrastructure, maintain existing assets and attract private capital.

"In most cases the public utility remains the offtaker of whatever is sold through the transmission line. The financial and operational viability of the utilities will therefore be an essential condition in getting the private sector to enter," he said.

Project structuring holds key to success

Moshood Abolade, Investment Director at Africa50, noted that the opportunity in transmission is huge for investors – provided projects are structured with bankability in mind. "The opportunity in Africa remains huge. The rule of thumb is that when you invest a dollar in the power sector in any

hope to see this in a lot of other countries," Abolade said.

"The DFI community has also been supportive. We were able to generate very good interest from over seven lenders. Even though we couldn't take all of them, it is a testament that when these projects are well structured, we can get the right amount of debt at the right terms in a way that would make the project bankable," he continued.

He noted that the Kenya project had been able to raise "over \$300m in terms of lender interest and equity". He argued that IPT projects could be done in "as quickly as 18 months," provided all parties are aligned and regulations exist.

Asset recycling can support transmission projects

With public finances stretched thin in many African countries, Abolade argued that it was doubly urgent to get private projects.

"What makes this problem urgent is the fact that transmission lines are funded by government resources, which have been constrained in recent years. It's now the time for the government to make that transition to private sector investment in transmission lines," he said.

Asset recycling, he argued, offers governments a chance to unlock capital and new infrastructure investments without taking on more public debt, by selling or leasing an operational asset – such as a toll road, port, electricity generation plant or transmission line – to private investors and using the proceeds to fund new infrastructure projects.

This "recycling" of capital allows governments to finance new development without increasing debt or reallocating funds from other public services. The private investor then takes over the operation and maintenance of the existing asset, bringing expertise and capital to



country, 20 cents should go to transmission. We continue to lag behind – but we see this as an opportunity.

"A lot of emerging markets have been able to attract private investment into power transmission," he said, pointing to Latin America, which attracts on average \$1.5bn in new investments annually in its transmission infrastructure. "We want to replicate this in Africa. It is doable given what Africa50 is doing with its flagship project in Kenya."

Delving into the project in Kenya, he highlighted its unique structuring and risk allocation. "Given that this is one of the first [IPT] projects it is very important that the risk allocation is efficient to ensure that the project can get to financial close and serve as a template for follow-on projects across the continent.

"Our Kenya project is peculiar because the government was thinking about doing this at the same time that Africa50 also recognised that there was a huge gap in this space... We are very proud of this project because the government continues to remain an advocate – and we

‘Beyond investment, what will be required are clear regulations and consistent policy to make sure private sector participation can be secured. Investors need clarity, certainty, and visibility on the regulatory framework to be able to invest’

Above from left to right: Olivier Pognon, CEO, African Legal Support Facility (ALSF); Alain Ebobissé, CEO, Africa50; Florizelle Liser, President and CEO, Corporate Council on Africa (CCA); João Baptista Borges, Minister of Energy and Water, Angola; Ndiame Diop, Regional Vice President for Eastern and Southern Africa, World Bank; and Moshood Abolade, Investment Director, Africa50.

improve its performance. "We continue to champion asset recycling and think it can be used for transmission. It's a model that governments can use to monetise existing infrastructure assets. They can use that capital to further expand their infrastructure programme," he said. "It can be used to upgrade existing transmission lines, finance greenfield lines, as well as advance regional integration through interconnectors."

Transmission investment will improve power affordability

Donald Kaberuka, Chairman of the Board of Directors of Southbridge, argued that investment in transmission infrastructure would help make power more affordable. "I know many cases where power is available but out of reach of many small businesses and customers. The price is incredibly high, as high as 20 cents per kilowatt-hour. There are many reasons for this, but one of the most notorious is a combination of technical losses and commercial losses," he said.

"For commercial losses, the offtaker – the national electricity companies – are

not running their businesses efficiently, not collecting the bills and so on. They are then passing on those inefficiencies to customers in terms of higher tariffs," he said.

Technical losses, he elaborated, emerge from factors such as dilapidated transformers and aged infrastructure. "In several countries, if you combine commercial and technical losses they could be as high as 40% [of the electricity cost] and these are passed on to consumers," he remarked.

Investments in transmission infrastructure will also accelerate the creation of a unified energy market in Africa, Kaberuka argued. "Not every country can have full energy independence from its own sources. It is not possible. We need to create energy markets across Africa by investing in transmission."

Legal support at every stage is crucial

Olivier Pognon, CEO of the African Legal Support Facility (ALSF), said that projects

'A lot of emerging markets have been able to attract private investment into power transmission. We want to replicate this in Africa. It is doable given what Africa50 is doing with its flagship project in Kenya'

strategic logistics route connecting the port of Lobito on Angola's Atlantic coast to the mineral-rich Copperbelt region of Zambia and the Democratic Republic of Congo (DRC).

"That is the kind of thing that we at CCA are supporting our members with and also working with US agencies like DFC [US International Development Finance Corporation] and Exim Bank [Export-Import Bank of the United States] to get involved as well," she remarked.

Zambia ready to partner with private investors

Mafayo Ziba, a senior official at Zambia's energy ministry who stood in for Makozo Chikote, the Energy Minister, noted that Zambia is courting private investors to help plug critical financing gaps in its energy sector. This, he said, is crucial for Zambia to meet its objectives under Mission 300 (M300) – an initiative by the World Bank



need full legal support at every stage – not just when the important agreements are being negotiated or signed.

"Solid legal assistance is required at each and every stage of the project. You need to think of the legal structuring, the commercial structuring, the governance of the project. These are things that, from inception, governments should pay attention to," he said.

ALSF is a multilateral initiative hosted by the African Development Bank that helps African governments negotiate complex commercial transactions and manage sovereign debt. This includes support for infrastructure and energy negotiations, including PPPs and sovereign guarantees.

"At ALSF we ensure that when a country comes to us for support we check whether the legal and regulatory framework is conducive to the project that is envisaged," Pognon said. "Sovereign guarantees are often the stumbling block and for reasons that I believe can be overcome through dialogue and through 'legal creativity'. That may sound like a paradox, but there is a legal creativity in solving issues such as

blockage around sovereign guarantees," he remarked, citing the use of "call and put options".

De-risking instruments key in attracting private capital

Florizelle Liser, President and CEO of the Corporate Council on Africa (CCA), underlined the critical role of de-risking instruments – such as guarantees – in attracting private investment to transmission infrastructure. She said that this was an issue of particular interest to American investors.

"It's important, especially for American investors, to have the risk mitigation that is needed across the board in these kinds of projects. Having Africa50, the AfDB, the World Bank and governments providing the kind of guarantees that are needed – the kind of interventions that make it a little less risky for companies to be in some of these areas – that's key," she said.

Liser noted that during the US-Africa Business Summit in June several agreements were signed by US companies targeting energy generation and transmission projects along the Lobito corridor – a

and the African Development Bank aimed at connecting 300m Africans to electricity by 2030. "One of the pillars [of M300] is regional integration in the sense of power interconnections and developing transnational line projects... For Zambia we are landlocked, so we are looking forward to opening up our interconnection with all our neighbours," he said.

He noted that for transmission projects, Zambia was banking on the strategic use of public-private-partnerships for transnational lines with its neighbours. "When I look at some projects, for example the Zambia-Mozambique, the Zambia-Botswana and Zambia-Angola lines, these are the ones where we are looking to bring in private investments, probably in PPP arrangements," Ziba said.

"When we heard about Africa50 [and its IPT project in Kenya], for us it's exciting. We will be looking forward to seeing how we can participate and tap into not just the resources that will come through this initiative, but also the expertise as we develop these infrastructure projects," he remarked. ■

Energy and climate

With climate change driving power consumption, experts say that North Africa must ensure a more diverse energy mix, reports **Bianca Carrera Espriu**.

Renewables shift urged as North Africa's power demand surges

In just two decades electricity consumption in the Middle East and North Africa (MENA) has tripled, rising by more than 1,000 terawatt-hours per year – a surge that places the region behind only China and India as a driver of global power demand. The International Energy Agency (IEA) projects that power demand across the region will rise by 50% by 2035 in order to maintain liveable conditions in the face of extreme heat and of water scarcity, which requires electricity for desalination. That would be the equivalent of adding Germany and Spain's combined electricity use. Meeting that demand with current technology would mean burning roughly 2.8m barrels of oil and 500bn cubic metres of gas each year.

In its latest report on the future of electricity in the MENA region, the IEA warns that this rise in demand could deepen the region's dependence on gas-fired power; particularly in North Africa, where natural gas and oil already provide around 90% of electricity generation. "This projection is alarming for North Africa as it highlights both economic and energy security risks," says Abdelaziz Khlaifat, chair of the petroleum and energy engineering department at the American University in Cairo. "Higher gas use could divert export revenues and trap countries like Egypt, Algeria, and Libya in a costly, carbon-intensive path just as global markets shift toward renewables. It would strain budgets, prolong subsidies, and limit funds for development – the region risks exchanging short-term stability for long-term vulnerability."

Yet the IEA report also underscores the scale of opportunity for North Africa to reshape its energy sys-

tems. The region already attracts some of the fastest-growing clean energy investment in the developing world – over \$44bn in 2024, projected to rise by nearly 50% by 2035 – and boasts some of the world's highest solar irradiation levels.

Not a zero-sum choice

The path forward does not have to be a zero-sum choice between gas and renewables. That is what Ali Saffar, head of division for Europe, Middle East, Africa and Latin America at the IEA tells *African Business*. "Gas will absolutely have a role to play in the electricity network," he says. "Even in our most central scenarios, we see gas playing a big role alongside a large increase in solar, which will grow from about 5% to 6% of the mix today to roughly a quarter [in the future]."

Diversification, rather than replacement, is the goal. The IEA's *World Energy Outlook 2024* stresses that a secure and sustainable transition in emerging economies will depend on using all available assets efficiently – including existing fossil-fuel infrastructure – while scaling up renewables and improving grids. In North Africa, that means gas remains part of the equation even as solar and wind surge.

The region's well-developed gas networks can help stabilise power systems and balance variable renewables, providing a bridge toward deeper decarbonisation instead of an obstacle to it.

Climate pressures

That flexibility will be increasingly critical as climate pressures reshape the region's energy needs. Rising temperatures and worsening water scarcity are driving up electricity demand not only for cooling homes and cities but also for desalinating seawater. Across the MENA region, cooling already accounts for up to 70% of peak electricity demand in the summer, while desalination consumes around 5% of total electricity output, a share expected to double by 2040 as freshwater demand grows.

Countries are moving away from thermal desalination toward reverse osmosis: "From an energy perspective, reverse osmosis is roughly ten times more efficient than thermal desalination," says Saffar. "You only need electricity, and that electricity can be renewable. Since 2018, no new thermal plants have been added; all new capacity is electricity-fed, which fits naturally with the region's growing solar generation."

Jauad El Kharraz, chief executive director of the Water Energy Climate Experts Network (WECEN) in Morocco, notes that his country's mandate to power new desalination plants with renewables is "a critical test case". Its plan to produce 1.7bn cubic metres of desalinated water annually by 2030, while ensuring that new plants are powered by renewables, reflects the kind of integrated water-energy plan approach needed to avoid locking economies into high-cost, high-carbon paths.

Diverging paths

Every country in North Africa has its own particularities and challenges. Since launching its 2009 National Energy Strategy, Morocco has pursued one of the most ambitious clean-energy transitions in the Global South. It aims for 52% renewable installed capacity by 2030 – equivalent to roughly 40% to 45% of total electric-

Opposite: Noor Power Plant in Morocco, located near the town of Ouarzazate.



ity generation – and has already reached about 38% of installed capacity in 2023, El Kharraz points out.

Its Noor Ouarzazate Solar Complex, still the world's largest concentrated solar power plant, symbolises this push, capable of powering over a million homes. Wind capacity stood at 2.37 GW by end-2024, with another 2.6 GW under development, while solar potential remains enormous: irradiation levels reach 2,200 kWh/m²/year, among the highest globally. "Morocco's renewables push offers key lessons for neighbours like Algeria, Tunisia, and Egypt," says El Kharraz.

In the region energy systems evolve at uneven speeds. Algeria remains bound to hydrocarbons, with renewables supplying barely 1% of its electricity despite ambitious plans for 22 GW of capacity by 2030. Tunisia, though committed to reaching 30% renewables by 2030, continues to wrestle with regulatory and financing constraints, leaving it reliant on gas and imports: roughly 11% of its power still comes from Algeria.

Egypt sits somewhere in between; more ambitious than Tunisia, less advanced than Morocco, but central to the region's energy future. "Projects like the Benban Solar Park, one of the world's largest with 1.8 GW capacity, showcase Egypt's solar potential, while the El-Dabaa nuclear plant marks a broader diversification effort. The country also benefits from strong wind resources along the Gulf of Suez and growing grid interconnections, positioning it as a potential power-trade hub. Sustained progress will depend on policy stability, infrastructure upgrades, and private investment to speed up the energy transition."

Resources and tech can meet demand

The IEA report is a wake-up call, but one that should be met with enthusiasm rather than fear. While North Africa is going to experience one of the world's fastest surges of electricity demand in the next decade, it has the resources and technology to not just meet that demand, but also to exceed it if greater diversification, cuts to grid losses and regulatory harmonisation are put in place.

From Tangiers, El Kharraz notes that in the African Continental Free Trade Area (AfCFTA) there is also space for regional cooperation: "Morocco can export to West Africa via interconnections with Mauritania and beyond, fostering south-south ties."

But the IEA's Ali Saffar cautions against seeing the region purely through an export lens. "It is premature to be talking about massive electricity exports in countries that have not really industrialised or where social pressures are so strong. Bringing stable, affordable electricity domestically is probably priority number one."

If managed wisely, a dual approach – meeting local demand first and then scaling through regional and international power trade – could make North Africa not only a bridge of clean power between continents but also a laboratory for inclusive industrial growth within Africa.

The question now is not whether the region can produce enough clean energy, but whether it can harness that power to light up its own future before exporting it abroad. ■



At the Afreximbank Compliance Forum, experts reflected on FATF's grey list and the misconceptions regarding its use, implementation and implications for listed countries reports **Lennox Yieke**.

Grey listing not a punishment but a call to close gaps in financial system, say experts

The Financial Action Task Force (FATF), the Paris-based global financial crime watchdog, publishes its "grey list" three times a year. The list identifies jurisdictions under increased monitoring due to strategic deficiencies in their anti-money laundering (AML), countering the financing of terrorism (CFT) and counter-proliferation financing (CPF) regimes.

The latest list, updated in October, names 20 countries, including eight from Africa. These include Algeria, Angola, Cameroon, Côte d'Ivoire, DR Congo, Kenya, Namibia and South Sudan. Notably, the number of African countries on the list has reduced following the removal of South Africa, Nigeria, Mozambique and Burkina Faso.

South Africa and Nigeria were placed under scrutiny in 2023, Mozambique in 2022 and Burkina Faso in 2021. FATF said their removal reflects reforms undertaken by each of the countries to strengthen their national frameworks against financial crime.

Not a sanctions list

Felix Obiamalu, general counsel at the Nigerian Financial Intelligence Unit, says there are often misconceptions about what the grey list is. "It's important to state what it's not. The FATF grey list should not be mixed up with sanctions, which are unilateral measures by individual countries or political blocs," he said on a panel at the Afreximbank Compliance Forum in Kigali, Rwanda.

Being on the grey list does not mean a country is sanctioned, but it signals to global banks and investors that the jurisdiction poses compliance risks and is working with FATF to fix the gaps, he explained. "Sanction lists and the FATF grey list have different goals. The purpose of the FATF grey listing is to ensure compliance, while the goal of sanctions is to advance foreign policy objectives."

To be sure, grey listing isn't entirely without economic costs. Grey listed countries usually face higher compliance requirements, reduced correspondent banking relationships and reputational risks. But they are not entirely cut off from the financial system. With corrective action, they can get off the list – as Nigeria and others have done.

Being on the grey list does not mean a country is sanctioned: it signals to global banks and investors that the jurisdiction poses compliance risks

Strengthening countries' financial systems

Speaking on the same panel, Edwin Harris, director-general of the Inter-governmental Action Group against Money Laundering in West Africa (GIABA), said countries' systems are strengthened after the process. The grey list is not a punishment as some would argue, he insisted.

"Countries on the grey list recognise and accept that they have deficiencies in their AML and CFT regimes. They and FATF agree on the course of action to be taken on the deficiencies as identified in the mutual evaluation process," he said. "The ultimate goal is to strengthen the system."

Pauline Gashumba, director general of the Financial Intelligence Centre in Rwanda, noted that FATF standards are applied transparently and uniformly across all countries. "The list is established in a transparent manner, and the standards are applicable worldwide. They are not targeting any countries and any region," she emphasised.

Moreover, countries that fall short of FATF standards are not immediately placed on the grey list. Instead, they enter a one-year observation period overseen by the

International Co-operation Review Group (ICRG) – the FATF taskforce that engages with jurisdictions with weaknesses in their financial systems.

"The country is given time to fix those issues. If the issues are unresolved, then it is a candidate for the grey list," Gashumba noted. But even then, placement is not automatic. "FATF also weighs the systemic risks a country poses to the global financial system, including the size of its financial sector and the degree of its integration into international markets," she said.

Getting off the list

The path off the grey list varies by country, depending on the specific deficiencies flagged during evaluation. However, one thing stands true across all countries that have managed to get off the list: political will is indispensable.

Obiamalu reflected on Nigeria's journey to get off the list. "We had 84 recommendations in 2021. During the observation period we closed all actions except 15. So, we got on the list with an action plan that focused on these 15 issues," he explained.

He said that Nigeria ultimately resolved all 15 outstanding points through close inter-agency coordination. "We managed to resolve all 15 issues because of the close coordination between agencies. We made it clear that a siloed approach would not work. Political will was crucial in ensuring the success of this collaborative effort. We tend to underplay the role of political commitment, but nothing can move forward without it," he said.

Harris on his part stressed that countries that get off the list must not rest on their laurels. "If a country exits the grey list, there is no assurance that it cannot return in future. What we do at GIABA is encourage all who have left to sustain all the gains made. They must continually review how their legal frameworks are strengthening the fight against transnational crime. ■



This year's Afreximbank Compliance Forum in the Rwandan capital of Kigali placed artificial intelligence (AI) at the centre of discussions.

AI-powered compliance is here: Experts weigh opportunities and risks at Kigali forum

Speakers at the ninth Compliance Forum, convened in November in Kigali, by the African Export-Import Bank (Afreximbank) in partnership with the National Bank of Rwanda, examined how AI can bolster compliance frameworks to promote legitimate trade and protect the continent's financial system from abuse. They included compliance professionals, regulators, policymakers and technology experts.

AI is reshaping compliance

Kudakwashe Matereke, Afreximbank's director of regional operations for East Africa, opening the forum, described its focus on AI as "powerful and forward-looking". "AI-driven solutions can detect suspicious patterns faster, analyse vast data sets with precision, and enhance customer due diligence, including identification of ultimate beneficial owners – a key global compliance requirement," he said. "By embracing AI we can shift from reactive to proactive compliance, anticipating risks before they materialise and reducing false positives."

In "de-risking" financial institutions terminate or restrict relationships with clients or sectors they perceive as too risky or costly to serve due to compliance risks. If the decision is a false positive, it is particularly deleterious to legitimate enterprises and the broader economy.

"Afreximbank is calling on financial institutions in Africa to keep investing in compliance technology to protect their business, and by doing so boost intra-African trade," Matereke said. He called on technology providers to expand their support for Africa, while stressing that solutions must be tailored to Africa's regulatory



landscape rather than imported wholesale. "We believe that technology and AI in particular must be flexible enough to map out the requirements of the African regulators because the exercise of copy-and-paste in technology does not always work particularly well."

While acknowledging that AI-driven compliance is already making a differ-

ence, Nick Barigye, deputy governor of the central bank of Rwanda, emphasised the need for regulators to proactively monitor the risks that inevitably accompany new technologies. "The transformative power of AI is no longer a promise, it is a reality. As we welcome innovation, we must ensure AI operates under the guardrails of ethics, integrity, transparency and more so, data

He linked strong compliance to increased trade flows. "When banks and businesses commit to clear reporting, robust risk management and transparent KYC [know your customer] practices, they do more than meet regulatory standards. They build trust, attract investments and unlock new markets," he said.

Harmonise regulatory standards

Participants in a panel underscored the need to harmonise compliance regulatory standards across Africa. Carine Umutoni, managing director of Ecobank Rwanda, noted that "we still have a fragmented regulatory environment and different compliance regimes. Its a barrier to regional trade."

Folasade Ibidapo-Obe, chief compliance officer and company secretary for

Oando, reiterated the call for harmonisation of standards. She linked the cost of compliance requirements – often due to fragmented regulation, duplicated standards and manual processes – to the low levels of intra-African trade. It accounts for only about 15 % of the continent's total trade, compared with roughly 70% within the European Union and 60% across Asia.

"The first thing we need to do to boost intra-African trade is to domesticate and harmonise our compliance standards. Once that happens you will see trade flows improve. Trade thrives on predictability, transparency and trust," Ibidapo-Obe said. She called for responsible information sharing across borders. "There is no compliance without sharing information, but we need to ensure that we are doing it properly."

is FATF. Member states should use it as a basis for their compliance programmes."

He said that organisations that are looking to upgrade their compliance systems should invest not just in technology, but also in skills and talent development. "Are financial institutions willing to bring in competent, skilful people who can use the technology?"

Zimbabwe on path to reform

Lawrence Nyazema, CEO of CBZ Bank in Zimbabwe, gave an overview of how the country's efforts to reform compliance frameworks are progressing. Zimbabwe has a troubled history with de-risking. Many international banks and financial institutions pulled out due to political instability, sanctions, currency volatility and weak compliance frameworks. This led to correspondent banks cutting ties, which has cut off the country from the global financial system. Today, the country's banking sector is on the path to reform as regulators lead efforts to rebuild trust and confidence.

He gave highlights of CBZ Bank's journey to transform its compliance function. "We went back to the basics. We have had to take the compliance function from being a mere back-office function to a strategic one. We started with governance and culture. What is the tone at the top? What is the view and action of the board and senior management?"

"All facets of our business are aligned to what we need to do on the compliance strategy. Accountability also has to be clear. Do we have the right skills in the compliance function? Is the chief compliance officer accountable, independent and fully enabled to roll out the compliance plan?"

Stemming illicit financial flows

Beyond boosting regional trade, robust compliance systems can also help Africa tackle one of its most menacing challenges – illicit financial flows (IFFs). According to UN Trade, Africa loses an estimated \$88bn annually to IFFs, equivalent to nearly 4% of its GDP. Some experts fear the precise extent of the losses could be significantly higher given that illicit transactions are by design structured to evade detection.

IFFs drain vital development resources, undermine economic stability and weaken the integrity of the financial systems, says Idrissa Diop, director of compliance at Afreximbank. They deprive governments of funds needed for infrastructure, healthcare and education. The use of AI-driven compliance technology can help a great deal in stemming IFFs, he argues.

"We must not allow our banking platforms to be leveraged to channel illicit flows. We need to invest a lot in technology to protect our platforms. We must also collaborate with our regulators and law enforcement bodies to act when we see a problem," he tells *African Business* on the sidelines of the forum. ■

'Technology makes good people more effective and bad actors more dangerous. Our duty is to ensure AI serves the right side of that equation'

Compliance should not feel like a burden

Tirivafi Nhundu, senior financial sector expert at the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) urged financial institutions and corporates alike to rethink their approach to compliance. It must not be framed as a burdensome duty, but as a strategic growth lever.

ESAAMLG is a regional body tasked with promoting and assessing the effective implementation of international standards issued by the Financial Action Task Force (FATF) on anti-money laundering (AML), combating the financing of terrorism (CFT) and countering proliferation financing (CPF).

"Let us not view compliance as a regulatory burden but as a foundation of trust that fuels trade, investment and inclusive prosperity. Compliance and trade are not opposing forces, they are partners in progress," Nhundu said. "Strong compliance frameworks foster investor confidence and preserve correspondent bank relationships. Weak compliance exposes economies to sanctions, reputational harm and financial exclusion," he noted.

Edwin Harris, Director General of the Inter-Governmental Action Group Against Money Laundering in West Africa (GIABA), noted that adherence to FATF standards can help streamline regulatory environments across Africa. "Fragmented compliance frameworks should not be an issue. The global standard



integrity. Technology makes good people more effective, bad actors more dangerous. Our duty is to make sure it serves the right side of that equation," he said. "Financial crime knows no borders and neither can our defences. We must embrace regional cooperation, shared intelligence and harmonised standards to stay ahead of ever evolving threats."

Infrastructure

At Dakhla, 1,300 km south of Casablanca, hundreds of construction workers are racing to turn a relatively remote stretch of coastline into a major conduit for international trade. Morocco is investing \$1.6bn into the Dakhla Atlantic Port as it seeks to modernise its infrastructure ahead of the 2030 FIFA World Cup.

In an interview with *African Business*, Nisrine Iouzzi, director of the port, says the maritime hub will prove to be a “cornerstone” of efforts to develop

The Dakhla Atlantic Port is intended to attract trade and industry and serve as a gateway for the Sahel, reports Ben Payton.

Morocco hopes port development will boost regional growth



the regional economy. “In our southern provinces, we have very good and big opportunities to make trade with Africa,” says Iouzzi. She adds that Morocco has developed a 2030 vision for ports in the country, noting that the Dakhla project will be key to the “development model” of the local region as the government seeks to spread growth opportunities around the country.

Morocco has already had considerable success in the ports sector. Tanger Med near Tangier, which handles much of the country’s exports to Europe, is the largest commercial port on the African continent. Other major ports are located in Casablanca and Agadir.

But Iouzzi says the new development at Dakhla provides “a way for us to balance the logistic corridors and to integrate more with African markets”. She adds that the port could also handle much of the country’s trade with partners in North and South America.

And Iouzzi says the project is also intended to benefit landlocked countries in the neighbouring Sahel region, which include Mali, Burkina Faso and Niger. It will mean “we can import and export goods from Sahel countries to all over the world, to give to African countries also a way to go to global markets and to attract more activities.”

The deepwater port is being built on an island connected to the mainland via a 1.3 km bridge. The layout will allow Dakhla to accommodate the world’s largest container vessels, as well as a ship repair facility and a facility designed for fishing boats.

Iouzzi says that around 1,800 people are directly employed on the construction phase of the port project, along with many more in the supply chain. She hopes that once the facility is complete, a further 20,000 jobs will be created in industries that spring up around the port development.

Green hydrogen gateway

The Moroccan government’s vision is that the port development will facilitate the growth of various industries. A key focus is to develop green hydrogen and ammonia infrastructure close to the port, enabling these green fuels to be produced in Morocco and then exported to international markets.

Morocco is widely viewed as one of the most promising locations in the world for green hydrogen developments.

This reflects excellent conditions for generating both solar and wind power, the availability of large areas of land and the relative proximity to Europe, where many industrial companies are looking to green fuels to allow them to decarbonise.

Several major green hydrogen and ammonia projects are on the drawing board for the surrounding area. The government selected five projects earlier this year, with investors from a wide range of countries. These projects have a total planned value of \$32bn and will receive land allocations to develop so-

lar and wind resources that can power electrolyzers.

One of the winners is the ORN_X consortium, led by US company Ortus, Spain’s Acciona and Germany’s Nordex, which intends to produce green ammonia, a liquid form of hydrogen that is much easier to transport than hydrogen gas. Another consortium is made up of Abu Dhabi state-owned company Taqa and Spanish firm Cepsa.

Moroccan company Nareva was another successful bidder, along with a Chinese consortium that includes the companies UEG and China Three Gorges.

The Saudi Arabia company ACWA Power was the final successful bidder. It intends to use green fuels for “green steel” production: this would involve using green hydrogen instead of coking coal in the direct reduction process, then using electric arc furnaces powered by renewable energy to complete the steel-making process.

Whether such an ambitious scheme of industrial development ever reaches fruition remains to be seen. Several other green hydrogen projects around the world have already been cancelled or scaled back, amid uncertainty over demand projections.

But if the region around Dakhla is to turn into a major industrial hub, improved port infrastructure will be a necessity for allowing these “green” products to be exported around the world.

Aiming for 2030

As for the port itself, the first phase of construction, currently under way, involves the build-out of the breakwaters and other basic port infrastructure and is being publicly funded by the Moroccan government.

In the planned second phase of the project, the government plans to issue tenders to international companies to construct and operate terminals,

including facilities like quayside cranes, at the port. Iouzzi says the government has already received expressions of interest from well-known international port operators, ahead of a process to award tenders that she expects to begin in 2027.

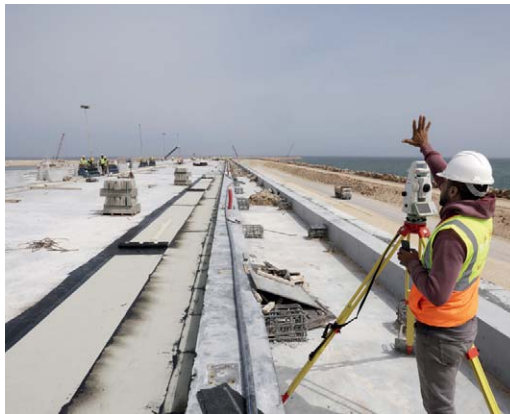
If all goes well, trade should be flowing in and out of Dakhla by 2030, when Morocco will co-host the World Cup with Spain and Portugal.

Confident in the territory

A possible complication is that Dakhla is located in territory that has been under Moroccan control since the 1970s, but which some African powers such as Nigeria and South Africa recognise as the Sahrawi Arab Democratic Republic.

Asked whether she is concerned that the dispute over the status of this territory could affect investment in the port, Iouzzi is adamant: “Absolutely not,” she says. “We already have international companies in the region, and we’re seeking to have more and more.”

“For us, Dakhla Atlantic Port is a gateway for Africa,” says Iouzzi. ■



Nisrine Iouzzi, director of the port, says the maritime hub will prove to be a ‘cornerstone’ of efforts to develop the regional economy

Opposite: Concrete blocks are made ready for the construction of the Dakhla Atlantic Port (above).

Impact investment

With traditional funding sources under pressure, African governments and entrepreneurs are increasingly turning to philanthropists and impact investors to help bridge the gap. Wealthy benefactors, often working through family offices and impact investment firms, are willing to back projects that can deliver transformative development impact – but they are increasingly being advised to back projects that also make commercial sense.

*The African Venture Philanthropy Alliance wants to complement traditional philanthropy with a more commercially-minded model in which the wealthy look for returns as well as impact, writes **Lennox Yieke**.*

Would-be philanthropists are steered to pursue profits

Participants in an African Venture Philanthropy Alliance (AVPA) conference heard that the dual pursuit of purpose and profit is helping catalyse new capital flows to Africa. Held in Nairobi in November, the conference convened foundations, family offices, investors, social entrepreneurs and policymakers to discuss the role of catalytic capital in closing development financing gaps on the continent.

The conference featured sessions on policy innovation, local capital mobilisation, blended finance and leadership, alongside sector-specific discussions on renewable energy, fintech, agritech and AI for scalable impact.

“There is a new generation of entrepreneurs and investors in Africa who are rewriting the narrative, reshaping sectors like cleantech, fintech and agritech,” said Adedotun Sulaiman, chair of AVPA’s pan-African board, in his opening remarks.

“Philanthropies and family offices are deploying capital for profit and purpose. The key is to look beyond short-term fixes and instead focus on building systems that can endure and adapt,” he added.

Blended capital models

Sulaiman said that blended capital models – financing structures that combine concessional capital such as grants, low-interest loans and guarantees with commercial investment – provide a pathway for philanthropies to get more deeply involved in financing Africa’s transformation.

Philanthropies can, for example, provide first-loss capital or guarantees, making projects less risky for commercial investors. Grants or concessional loans can also cover early-stage costs – such as feasibility studies, pilot programmes, or capacity building



– while investors finance later expansion once the concept proves commercially viable.

Blended models typically channel resources into areas with strong social returns but weaker commercial incentives, such as rural infrastructure, healthcare, education, water access and climate resilience.

“What is the new role of philanthropy? It is not the continuation of outdated models. Africa cannot grant its way to prosperity. Five-year donor projects have outlived their utility,” claimed British Robinson, chair for Africa at the Milken Institute, a global finance thinktank “focused on accelerating measurable progress on the path to a meaningful life”.

“Philanthropies have a unique and urgent role to play in unlocking African capital. They can co-fund feasibility studies, support due diligence and cover transactional costs so that promising projects can reach bankability and financial close,” she noted.

“They can anchor and support African funds and African fund managers that know the market but need those critical first believers who can take first loss and absorb the initial risk.”

Making the case for Africa

Robinson tells *African Business* that the Milken Institute is working to make Africa’s investment case better known and understood among global investors, including philanthropies and family offices. She argues that misperceptions about Africa’s risk profile have left many investors hesitant to commit capital, even when doing so would likely deliver a competitive risk-adjusted rate of return.

“The first risk that is often discussed is the reduction in foreign assistance. In 2024, ODA [official development assistance] to Africa totalled about \$42bn,” she says. “Meanwhile, the continent holds \$4 trillion in domestic capital. How do we turn this into an opportunity and mobilise African capital to advance African prosperity?”

“The second risk we hear about is debt. Only two African countries currently hold investment-grade credit ratings. But look at the direction of change: it’s positive. Kenya, Nigeria, Ghana, Egypt and Togo all received upgrades in the past year... investors are clearly re-rating Africa’s risk profile,” she adds.

Another issue, she points out, is the difficult exit environment for investors. Limited liquidity in private equity markets, coupled with tough listing requirements and undercapitalised stock markets, keep investors’ funds tied up in investee companies longer than they planned.

“Think about the exit upfront. The exit is there but you are not partnering with the right people on the ground. If you want a pipeline of exits, you must partner with African asset managers... they prepare the businesses, they understand what the trajectory is going to be for the business,” she says.

Africa’s data gap, she notes, is another concern for many investors. Experts argue that Africa pays significantly more than it should when accessing

global capital markets because of flawed ratings. Robinson argues that part of the reason why ratings agencies overstate Africa’s credit risk is the quality of data they use in their models.

“There is often miscommunication and disinformation. Sometimes the regulatory bodies don’t have the most updated data, or the data is presented in the wrong fashion. There is a large effort currently underway to provide technical assistance to the sovereigns to help them provide data so we can bridge the miscommunication and disinformation.”

Paving the way for private capital

Frank Aswani, CEO of AVPA, sees the catalytic capital that philanthropies and family offices provide as critical in paving the way for private capital. “Private investors generally look at social investments – whether in education, healthcare, agriculture – and think they are too risky. There is a perception that you cannot make money as you solve human needs,” he tells *African Business*.

“Catalytic capital de-risks social investments. For that we generally use grants to stress-test projects,” he notes. “You want to make sure that the teams behind the projects have the right competences and that they have enough people to deliver. It is a place where this de-risking capital can come in, helping them build the right capabilities and structures so that when they get commercial investment they are ready to actually absorb that capital.”

Aswani notes that it is crucial not to equate catalytic funding with subsidies or altruistic donations which, he says, both lack a multiplier effect in terms of mobilising additional private investment.

“We are not about subsidising private capital but about addressing market gaps. For example, where there are [flawed] perceptions of risk – and that’s a market gap – we use catalytic capital to demonstrate that the real risk is not as high as the perceived risk. Where there is a market gap of talent, we use it to plug that market gap,” he notes.

“We ask ourselves: for every dollar we are deploying, how much are we unlocking of private capital? That leveraged factor is very important. It helps us crowd in more private capital.”

Africa’s impact investing market in 2025 was valued at over \$11bn in assets under management (AUM), while globally the impact investing community represents more than \$1.5 trillion AUM. Aswani partly attributes Africa’s miniscule share of global assets under management in impact investing to the huge talent gap in the space.

“Africa is by far the world’s largest impact investing opportunity. But we have a big gap in that we do not have enough people who understand this space of impact investing and how we are bridging traditional philanthropy and private capital,” he says. “There is only one university in the whole continent that teaches the subject of impact and sustainable finance, and that’s the University of Cape Town.”

“It would be like the US, the largest car market, having only one car manufacturer. It’s just not good enough. In the long term we [AVPA] are trying to raise money to see if we can capacitate at least 30 business schools to teach this subject within their respective countries.” ■



‘A new generation of entrepreneurs and investors in Africa is rewriting the narrative, reshaping sectors like cleantech, fintech and agritech’

Above: Adedotun Sulaiman, chair of AVPA’s pan-African board.

As Africa looks to harness its demographic dividend, business leaders and HR professionals say the continent's future lies in structured leadership, collaboration and purpose-driven talent development. At The African Forum for Talent Leadership in Finance, they shared practical ways to turn Africa's potential into performance, writes **Stanley Eleko**.

Africa's CEOs and HR experts chart a path to a talent-driven future

Some of Africa's leading chief executive officers and human resources professionals have outlined practical steps the continent can take to unlock its vast human potential, recognising talent as the key driver of sustainable growth and innovation. They underscored the importance of embedding leadership systems across the continent, citing how China, India and Singapore integrated leadership development into national strategies to sustain long-term progress.

Speakers emphasised that Africa is not short of talent or ideas, but of systems that enable consistent collaboration and

Below from left to right: Peter Okwoche, Chief Executive Officer of AIT News 24; Humphrey Oriakhi, Managing Director & CEO, PAC Capital Limited; Charles Kazuka, Director of Human Capital, Shelter Afrique Development Bank; Juliet Ziswa, Chief Commercial Officer, Exceptional Brands; Oscar Onyema, Chairman, JEX Markets and Patricia Aderibigbe – Human Resources Director, Africa Finance Corporation (AFC).



implementation. Speaking at a panel session during The African Forum for Talent Leadership in Finance, Oscar Onyema, Chairman of JEX Markets and former CEO of the Nigerian Stock Exchange, said Asia has shown how leadership structures can drive coordinated growth.

"In China, leadership was embedded in national development and industrialisation policy. India institutionalised mobility between the public and private sectors. Singapore, despite its lack of natural resources, made leadership part of national strategy, and that has delivered enduring success," Onyema said.

He noted that Africa's challenge lies not in creativity but in continuity: "Our problem isn't talent or ideas, it's the absence of leadership systems that outlive individuals. When we embed leadership into national strategy, collaboration becomes structure,

'This conference has brought together HR and business leader from multilaterals and from the private sector. This is an opportune moment for us to connect, to network and to ensure that we can build alliances into the future'

Stephen Tio Kauma
MD, Human Resources, Afreximbank

want results, but we should also evaluate how they are achieved. That shift takes us from an 'I' mindset to a 'we' mindset, from individual accomplishment to collective success."

Humphrey Oriakhi, Managing Director and CEO of PAC Capital Limited, echoed the call for action: "Africa doesn't suffer from a shortage of ideas. Our real challenge is implementing them. Until we turn policies into action, even the best frameworks will remain just talk."

Charles Kazuka, Director of Human Capital at Shelter Afrique Development Bank, identified the persistent problem of working in silos: "Governments, academia and industry often speak different languages while pursuing the same goals. When HR bridges these worlds and aligns education with national needs, collaboration moves from theory to progress."



From left to right: Stephen Tio Kauma, Managing Director, Human Resources Afreximbank; Babajide Sodipo, Acting Executive Secretary AAMFI; and Alain-Thierry Mbongué, Acting Regional Chief Operating Officer and Head of Mission, Anglophone West Africa, Afreximbank.



not chance." Panellists agreed that collaboration among governments, institutions and the private sector is essential to Africa's transformation.

Patricia Aderibigbe, Human Resources Director at the Africa Finance Corporation, described success as an ecosystem: "From the cleaners to the leadership team, everyone contributes to the goal. No one wins alone.

"Collaboration must evolve from being a buzzword to a strategic imperative, because Africa's transformation cannot be achieved by individual effort.

"Each leader should think not only about how their team succeeds but how their organisation moves forward collectively. That is the kind of impact we need for Africa."

Juliet Ziswa, Chief Commercial Officer at Exceptional Brands, stressed the importance of purpose-driven leadership.

"True leadership is not what you preach, but what you practise. People follow consistency, not slogans. We must measure not just results, but how those results are

achieved. Teamwork, ethics and sustainability must define success," she said.

Ziswa added that collaboration should be institutionalised through cross-functional teams: "When challenges arise, rather than leaving them to one department, we bring together people from commercial, manufacturing and finance.

"Working collaboratively instead of in silos turns cooperation into a core competency.

"Too often, organisations focus solely on targets, overlooking the culture and teamwork behind them. Of course, we

'Africa doesn't suffer from a shortage of ideas. Our real challenge is implementing them. Until policies become action, frameworks remain talk'

The discussion also explored how to measure and scale talent transformation.

Onyema said: "If you can't measure success, you can't improve it. Metrics such as productivity, employee engagement and workforce participation are vital. Leadership must exist at every level, from grassroots to continental, and collaboration must be embedded in how we define and reward success." Aderibigbe argued that human capital should be treated as infrastructure, on par with railways and hospitals. "Cross-border apprenticeships and talent exchanges can build shared skills. We must define our own value systems, recognise African excellence and create systems that reflect our realities," she said.

The panel concluded that Africa's youthful population remains a major asset, but only if it is made productive.

"Until we train for Africa's future, we risk being left behind. Collaboration, structured leadership and a clear sense of purpose are the keys to continental transformation," Onyema said. ■

Senior human resource leaders from across Africa have emphasised the urgent need to strategically redefine the role of human capital as a central driver of innovation, business growth and economic competitiveness across the continent, writes **Stanley Eleko**.

Human capital repositioning seen as catalyst for Africa's economic transformation



As Africa positions itself for a new era of industrialisation, digitalisation and regional integration, experts argue that unlocking the full potential of the workforce is no longer optional: it is essential. This view was advanced during a high-level Human Resources (HR) leadership session at the African Forum for Talent Leadership in Finance, hosted jointly by the African Export-Import Bank (Afreximbank) and the Alliance of African Multilateral Financial Institutions (AAMFI) in Abuja.

The forum brought together leading HR professionals from across the continent to discuss the evolving expectations of human capital, its role in shaping business strategy and the imperative for HR to move beyond traditional administrative functions. The session featured distinguished speakers, including Pai Gamde, Chief Talent Officer at Coronation Group; Allan Akoko, Group Director of Human Resources at the African Guarantee Fund (AGF); Constantine Wafula, Acting Head of HR at the East African Development Bank;

'HR must stop waiting for invitations and confidently step into its rightful place within the system'

and Jatto Cyril, Head of Human Resources at Alpha Morgan Bank. The discussion was moderated by Peter Okwoche, Chief Executive Officer of AIT News 24.

'Relevance must be seen in measurable outcomes'

Addressing the forum, Gamde emphasised that HR must evolve into a proactive, strategic partner within organisations: "HR should no longer wait to be invited to the table," she declared. "We must take our place as part of the system that drives business success.

From left to right: Allan Akoko, Group Director of Human Resources at the African Guarantee Fund (AGF); Pai Gamde, Chief Talent Officer at Coronation Group; Temi Dalley, Chief Human Resources Officer, Sterling Bank. Right: cohort of female HR leadership.

Our relevance must be seen in measurable outcomes, not just compliance." Gamde argued that the traditional perception of HR as primarily an administrative function, focused on payroll, leave management and compliance, limits the contribution of HR leaders to organisational growth.

Instead, the HR function should be integral to decision-making processes, using data and insights to shape strategy, drive innovation and support organisational transformation.

Akoko highlighted how the pandemic has permanently reshaped organisational priorities, bringing employee wellness, resilience and empathy to the forefront of leadership agendas. "The world is hungry for problem-solvers," he said. "Wellness and empathy are now strategic imperatives. HR must understand how the organisation makes profit to earn credibility at the leadership table."

He emphasised that in an increasingly competitive global market, organisations that fail to prioritise employee experience and wellbeing risk losing talent and innovation. By demonstrating a clear understand-

ing of the organisation's business model, HR can move beyond traditional personnel management to become a key contributor to strategic growth.

Data-driven solutions that improve performance

Cyril of Alpha Morgan Bank reinforced the importance of initiative and strategic communication. "If HR continues to focus only on routine matters like payroll, we will remain in the background. But when we bring data-driven solutions that improve performance or reduce costs, we gain leadership attention."

For Wafula, one of the continent's most pressing challenges remains the capability gap across Africa's workforce. He noted a persistent mismatch between educational outcomes and the skills required by the market. "We need stronger collaboration with governments and universities to align training curricula with modern workplace realities. Africa must also strengthen labour mobility frameworks to allow talent movement across borders," he stressed.

Wafula argued that closing the skills gap will require multi-stakeholder engagement, including policymakers, educators and private-sector leaders. By harmonising education with industry needs, African countries can cultivate a workforce that is adaptable, skilled and capable of driving economic transformation.

Demonstrate impact on corporate growth

Moderator Okwoche observed that HR leaders must take ownership of transformation and actively demonstrate their impact on corporate growth. "If HR is not

at the decision table, it's not because they were excluded, it's because they have not shown sufficient business value," he noted.

Okwoche highlighted the need for HR professionals to embrace accountability, leverage technology and adopt metrics that clearly demonstrate the contribution of HR initiatives to organisational performance. "HR leaders must not only implement policies but also measure and communicate the outcomes of their strategies. This is how HR earns a seat at the leadership table."

The session concluded with a strong call for continuous investment in human capital development, the adoption of data-driven decision-making and enhanced leadership accountability.

Participants stressed that repositioning HR as a strategic partner is not merely about improving organisational efficiency, it is a critical lever for Africa's broader economic transformation.

By treating human capital as a core strategic asset rather than a support function, organisations can foster innovation, enhance competitiveness and accelerate sustainable growth. The forum emphasised that the era of reactive HR is over, proactive, data-informed and business-focused HR is now indispensable for the continent's progress.

'HR should no longer wait to be invited to the table. We must take our place as part of the system that drives business success'

Talent mobility, collaboration and lifelong learning

The discussion also underscored the importance of creating ecosystems that enable talent mobility, collaboration and lifelong learning. HR leaders were urged to champion initiatives that not only address immediate business needs but also anticipate future workforce requirements in an era of rapid technological and economic change. As Africa navigates its economic renaissance, human capital will be the engine driving industrialisation, digital transformation and regional integration. The insights shared at the African Forum for Talent Leadership in Finance provide a roadmap for organisations seeking to leverage HR as a transformative force.

"We came together to collaborate, coordinate, partner and work together to find solutions to the financing gaps and the financing challenges facing Africa," said Babajide Sodipo, Acting Executive Secretary AAMFI. "And when we talk about finding solutions, yes we finance together, we deploy capital together, we deploy financial products together, but we know that the solutions are not just financing solutions."

By reimagining HR as a strategic business partner, fostering cross-sector collaboration and bridging skills gaps, African organisations can unlock new levels of productivity, innovation and competitiveness. Ultimately, the forum concluded, investing in human capital is not just an organisational imperative, it is a national and continental one. The future of Africa's economy will be shaped not only by natural resources or capital flows, but by the ability to harness the creativity, skills and potential of its people. ■



Countryfile

Senegal

Senegal's government has pledged a war on corruption, but critics say that opposition figures are being disproportionately targeted by the authorities, writes **Jessica Moody**.



Rule of law or revenge? Senegal graft crackdown divides opinion

Since President Bassirou Diomaye Faye and Prime Minister Ousmane Sonko came to power in Senegal in April 2024, five former ministers have been arrested on accusations of involvement in corruption. These arrests are linked to accusations of embezzlement, misuse of public funds and acceptance of bribes while the previous government scrambled to deal with the outbreak of Covid-19.

It is not just ministers who have been impacted. Several former senior aides and close advisors to former President Macky Sall have also been accused of corruption. Close relatives of Sall have been impacted, including his son Amadou Sall, who left the country. His brother-in-law, the former minister for community development Amadou Mansour Faye, was remanded in custody on corruption charges in May.

Campaign promises

Faye and Sonko had campaigned on promises to stamp out corruption, reduce red tape and make government and business more efficient and effective. "These cases form part of a broader anti-corruption



campaign launched by the Faye administration," explains Mucahid Durmaz, senior Africa analyst at risk intelligence company Verisk Maplecroft.

Since coming to office, Faye and Sonko have passed several bills that they say are aimed at reducing corruption. These include a reform of the existing national office for combating fraud and corruption, as well as the first law in Senegal's history that gives legal protection to whistleblowers, and a law which expands the range of political figures required to declare their assets. According to Oumar

Sall, technical advisor in the cabinet of the minister of justice, these efforts ensure the "protection of public resources against all forms of corruption or embezzlement", while also "reinforcing the transparency of public action and combating unjustified social inequalities".

"I really think that the government has the political will to fight effectively against corruption," says Alioune Tine, the founder of Afrikajom Center, a think tank and civil society organisation in Dakar.

But the efficacy and independence of the anti-corruption campaign is not yet clear. Critics claim it is part of a broader crackdown on opposition voices, including the media. Since Faye and Sonko came to power, freedom of the press has diminished: two journalists were arrested in late October for their attempt to interview a figure accused of corruption. Dozens of other journalists have been arrested, often after criticising the government, and news outlets have been closed.

In early 2025, the government suspended 381 media outlets deemed to be non-compliant with the press code in the country.

Witch hunt allegations

Critics say the vast majority of those who have been arrested in the corruption crackdown are either critics of Sonko or Faye or were members of President Sall's government, with whom there is no love lost: for example Sonko was arrested in July 2023, imprisoned awaiting trial on charges of insurrection, and released 10 days before the election that ended Sall's reign. Many in the opposition have called the crackdown a "witch hunt".

"The great challenge of the government's efforts will be to ensure that there is a respect for due process, respect of the right to legal defence, and respect of fundamental human rights of the people who are suspected of involvement," says Tine. "If these rights are not respected then there will be a sense that this is about political revenge; that is the problem."

"The allegations stem from official audit findings, rather than political accusations," notes Durmaz. "However, the conduct and transparency of judicial proceedings will be key to indicate whether the prosecutions are politically motivated."

Critics are concerned that a crackdown which focuses intensely on those who are political rivals of Faye and Sonko does little to improve the transparency of the country and undermines the democratic nature of Senegal's institutions.

Still, Durmaz suggests that the accusations of a witch hunt are "unlikely

to gain significant public traction, given the record of corruption allegations under the previous Sall government and fiscal misreporting that deepened the country's economic challenges".

Businesses fear reputational risk

But while the public may be broadly in favour of the crackdown, there is a growing fear among investors that they too will be tarnished by allegations.

Sonko and Faye came to power promising to get a better deal for Senegal from foreign investors and this had already raised fears of contract revisions and a more challenging operating environment.

As those with close ties to former President Sall face arrest and significant reputational damage, companies which did extensive business with the government under Sall fear a backlash.

"Although the government anti-corruption campaign has so far targeted former government officials and local entities, foreign operators that hold large, long-term contracts in extractive and infrastructure sectors face potential regulatory and reputational risks," says Durmaz.

Already there has been a harder line taken with businesses than in the past.

Opposite: Protesters hold placards during a demonstration in Dakar.

Below: Bassirou Diomaye Faye and Ousmane Sanko.

'Foreign companies that are perceived to have benefited from close ties with the previous government... risk contract reviews or new tax demands'

Australian oil and gas company Woodside is engaged in a lengthy battle with the Senegalese government over taxes that it allegedly owes the government for the period from 2019 to 2022.

"Foreign companies that are perceived to have benefited from close ties with the previous government through favourable tax terms and preferential access to licenses risk facing contract reviews, re-negotiations or new tax demands," notes Durmaz.

Not everyone is so pessimistic, however. "Obviously foreign and Senegalese businesses are impacted positively by the fight against corruption," declares government advisor Oumar Sall.

"These measures offer businesses more clarity around economic opportunities, while also clarifying the legal framework surrounding their activities."

"The business environment could be further improved by the government's efforts to fight corruption," agrees an entrepreneur in Dakar who wishes to remain anonymous.

"That could reinforce the confidence of investors and donors, which would likely help Senegalese businesses across all sectors." ■



Nigeria

The Nigerian government is pushing back against Trump's claims of mass Christian killings while attempting to soothe relations, writes Dulue Mbachu.



Nigeria pushes back against Trump claims in diplomatic offensive

The Nigerian government is pushing back against US President Donald Trump's claims of mass violence against Christians while attempting to smooth ties with what it regards as a crucial international partner. On 1 November Trump stunned Nigeria with a message on his "Truth Social" account accusing the country of allowing the killing of Christians and threatening direct US military action. The claims followed weeks of mounting allegations and lobbying by influential US Christian organisations.

"If the Nigerian Government continues to allow the killing of Christians, the U.S.A. will immediately stop all aid and assistance to Nigeria, and may very well go into that now disgraced country, "guns-a-blazing," to completely wipe out the Islamic Terrorists who are committing these horrible atrocities," Trump wrote.

"I am hereby instructing our Department of War to prepare for possible action. If we attack, it will be fast, vicious, and sweet, just like the terrorist thugs attack our CHERISHED Christians! WARNING: THE NIGERIAN GOVERNMENT BETTER MOVE FAST!"

Trump designated Nigeria a "country of particular concern", denoting a state that the US deems to be engaging in "particularly severe violations of religious freedom".



The claims appear to have gained traction beyond Trump's normal community of aggressive online influencers. On 19 November, the claims were echoed by US global music star Nicki Minaj, who told an event hosted by the US embassy to the UN in New York that: "In Nigeria, Christians are being targeted... Churches have been burned, families have been torn apart... simply because of how they pray."

While many Nigerians initially reacted to the US designation and Trump's comments with shock and bemusement, President Bola Tinubu moved swiftly to contest Trump's allegations with a statement on the same day.

"The characterisation of Nigeria as religiously intolerant does not reflect our national reality, nor does it take into consideration the consistent and sincere efforts of the government to safeguard freedom of religion and beliefs for all Nigerians. Religious freedom and tolerance have been a core tenet of our collective identity and shall always remain so. Nigeria opposes religious persecution and does not encourage it.

"Nigeria is a country with constitutional guarantees to protect citizens of all faiths. Our administration is committed to working with the United States government and the international community to deepen understanding and cooperation on the protection of communities of all faiths."

Nigeria attempts to engage

Senior Nigerian officials are keen to engage Trump administration officials to establish whether the US president's stance – particularly his threat of military action – is meant to be taken literally or is a gambit to appease a domestic audience. Conservative think tanks, Christian organisations and other advocates lobbied hard on the issue, according to US media.

Trump has long positioned himself as an opponent of major US military adventures abroad – although his self-professed "President of Peace" rhetoric has often disguised an impulsive urge towards short military actions.

While pushing back on Trump's claims, foreign minister Yusuf Tuggar indicated that Nigeria is willing to cooperate with the US in dealing with the menace of jihadists. "We remain committed in our resolve to tackle the violent extremism that is fuelled by special interests who have helped drive such decay and division in countries across the intersecting West African and Sahel regions," said a statement from the foreign affairs ministry.

"We mourn all the victims of violent extremism and salute our armed forces as they continue to fight against vicious but cowardly foes... the US has been – and we

trust always will remain – a close ally..."

Daniel Bwala, an adviser to Nigerian President Tinubu, said that Nigeria would "welcome US assistance as long as it recognises our territorial integrity".

The escalation by Trump has triggered a flurry of diplomatic activities by Nigerian officials keen on averting a confrontation with Washington, according to Eric Orji, a Lagos-based risk analyst. "We can expect it to end with a meeting between Trump and Tinubu at the White House and the signing of a deal."

Others are more critical of the state of US-Nigeria relations. Ohimai Amaize, a Nigerian journalist and senior editor for social media strategy and audience engagement at the Atlantic Council, said that ties under Tinubu and Trump had been defined by "mutual disengagement".

"Since his inauguration in May 2023,



Above: Farmers in the village of Nkiedonwro, Plateau State, Nigeria.

Opposite: US Army soldiers training members of the Nigerian Army 26th Infantry Battalion in a military compound four hours north of Jaji, Kaduna State.

Tinubu has not travelled to Washington and allowed a diplomatic vacuum to fester. In September 2023, Tinubu recalled all Nigerian ambassadors worldwide and still has yet to appoint permanent replacements. What's more, he was conspicuously absent from Trump's meeting in July with West African leaders.

"Tinubu's contacts with the Trump administration appear to be limited. In April in Paris, he met for the first time with Massad Boulos, Trump's senior advisor for Africa and a citizen of Nigeria among other countries. While that encounter signalled a tentative opening, there is no indication of any ongoing back-channel relationship."

Nevertheless, the US remains a significant trading partner for Nigeria. US goods and services trade with Nigeria totalled an estimated \$13bn in 2024, up 16.5% from 2023, according to the Office of the United States Trade Representative. Goods accounted for \$10bn and services for \$3bn.

Washington also provides strategic security support, including military training, counterterrorism assistance and limited arms sales to help Nigeria confront groups such as Boko Haram and the Islamic State West Africa Province, while also addressing piracy in the Gulf of Guinea, according to Amaize.

Insurgencies and farmer-herder conflicts drive violence

While Nigeria disagrees with the US characterisation of the violence, there is a widespread consensus that the country faces severe security challenges, sometimes defined by ethnic and religious dimensions.

Nigeria is split almost evenly between a mainly Muslim north and a predominantly Christian south, many of whose residents still retain traditional beliefs.

The country has been rocked by periodic uprisings led by preachers of radical Islamist doctrines, including the Boko Haram insurgency that began in 2009. Insurgents have forged alliances with international jihadist groups including Al Qaeda, the Islamic State and Al-Shabaab in Somalia. Islamist violence is estimated to have killed tens of thousands of civilians over the last two decades – violence which has affected Christians and Muslims.

In November, Mahmoud Ali Youssouf, African Union Commission chairperson, rebutted Trump's claims when talking to reporters at the United Nations in New York. "What's going on in the northern part of Nigeria has nothing to do with the kind of atrocities we see in Sudan or in some parts of eastern DRC. Think twice before... making such statements. The first victims of Boko Haram are Muslims, not Christians," he argued.

At the same time, predominantly Christian farming communities in central states including Kaduna, Plateau and Benue have faced violence by mainly Muslim herders – an enduring problem which the security forces have struggled to get a grip on.

In June, Tinubu ordered security forces to bring an end to a wave of violence in Benue State in which hundreds were killed.

According to International Crisis Group in 2018, while "the conflict is fundamentally a land-use contest between farmers and herders across the country's Middle Belt," it has taken on "dangerous religious and ethnic dimensions, however, because most of the herders are from the traditionally nomadic and Muslim Fulani who make up about 90% of Nigeria's pastoralists, while most of the farmers are Christians of various ethnicities". ■

Additional reporting by David Thomas.

Tanzania

Re-elected Samia Suluhu Hassan faces a crisis of legitimacy and the potential withdrawal of donor support after an election marked by the killings of protestors. Lennox Yieke reports.



Violent elections cast shadow over Tanzania's economic outlook

Samia Suluhu Hassan was sworn in for a second term as Tanzania's president on 3 November, just three days after contentious elections plunged the nation into violence. The inauguration ceremony took place at a military facility in the capital Dodoma; only a handful of the country's political and military elite were allowed access. Hassan, who has been in office since 2021 following the death of President John Magufuli, was declared winner of the presidential election with 97.6% of the vote.

The results were rejected by the opposition and a significant portion of the population, who took to the streets in droves to protest against an electoral process that for many felt more like a coronation ceremony for an imperial presidency than a real democratic choice. Scores were killed and injured by security forces who used live ammunition and brute force to disperse crowds. An official tally of the dead, injured and missing is yet to be released, but UN High Commissioner for Human Rights Volker Türk had reports of "hundreds" being killed in the security crackdowns in Dar es Salaam, Mwanza, Arusha and other parts of the country where protests erupted.

Robbed of choice

Though 16 other candidates ran against Hassan, critics charge that their partici-



pation was merely to maintain the illusion of choice. Experienced political opponents with considerable public support, including Tundu Lissu of the Chadema party and Luhaga Mpina of the Alliance for Change and Transparency, were excluded from the race. Lissu is in police custody on charges of treason while Mpina was disqualified from running on technicalities.

On election day authorities deployed the military and police in opposition zones, restricted independent observers from doing their job, and switched off the internet nationwide. In the days that followed, local media worked under restrictive reporting guidelines while foreign correspondents were barred from entering the country. Curfews were also imposed in parts of the country.

In a scathing preliminary report, the African Union (AU) observer mission, led by former Botswana President Mokgweetsi Masisi, concluded that the “un-competitive” elections “did not comply with AU principles, normative frameworks and other international obligations and standards for democratic elections”. In its preliminary report, it offered insights into how the voting process in some stations was manipulated. The AU noted that its observers reported “ballot stuffing at several polling stations, where voters were issued multiple ballots to vote.” It said that all polling stations observed exhibited low voter turnout, “indicating voter apathy and disengagement from the electoral process.”

Issues run deeper than elections

Bravious Kahyoza, an economist and political analyst at Dar es Salaam-based Tanzania Investment and Consultant Group, said the elections showed that the ruling class are no longer attentive to the demands of the citizenry.

He claims that calls to reform the constitution have fallen on deaf ears despite public support. Tanzania’s constitution still does not provide for legal challenges to presidential results. The country’s constitution also contains several contentious provisions that critics argue are purposely designed to maintain the ruling party’s vice-like grip on power.

“The leadership has been reluctant for so long to listen to the call for a governance architecture review.

Kahyoza notes that there is a widespread perception that the ruling class are benefiting from a corrupt system. “In the last four years, it seems the corruption issue has gotten out of hand. Leaders have not been accountable and responsible whenever corruption issues have arisen,” he says.

“Tanzania won’t be the same again. It

won’t be business as usual. Some things will have to happen to bring about constitutional changes and tackle inequality.”

Trading blame

In her first speech to parliament after being sworn in, Hassan condemned the violence that surrounded the polls and told lawmakers that her administration has tasked a commission of inquiry to look into the root issues that triggered the post-election violence.

She dismissed claims that the violent protests were the result of a legitimate people-led movement, instead alleging that opposition leaders and civil society actors bent on sowing seeds of division were pulling the strings behind the scenes.

“Didn’t they urge others to boycott the elections? Didn’t they say that Tanza-



Above: Tanzania’s re-elected president Chama Cha Mapinduzi during her inauguration.

Opposite: Protesters build barricades and block a road as post-election clashes erupt in Dar es Salaam.

nia won’t be calm? Didn’t they claim that things would go haywire if their demands weren’t met?”

But critics say that civil society leaders, opposition figures and protestors are the least of the president’s worries. Reports suggest murmurings of growing discontent within the ranks of the ruling CCM party. Political survival could take precedence over party loyalty.

“The mood on the ground has shifted and many politicians are now more careful about being seen to be too supportive of the government agenda,” Kahyoza says.

Economic gains at risk

Kahyoza says the president managed to put the economy on the right trajectory during her first term. He points to key macro indicators, including GDP, foreign direct investment (FDI) and wages, which he says have all improved markedly since she came into office.

“We do agree that from a macroeconomic point of view, she has performed very well, courtesy of her thinking and policy when she promised to open the economy, reversing the isolationist policies of Magufuli.

“This has led to a boost in FDI, tourism and investor confidence,” he says.

According to UN Trade and Development (UNCTAD), Tanzania attracted \$1.72bn in foreign direct investment (FDI) in 2024, a 28.4% increase from \$1.34bn in 2023. The country recorded inflows of \$1.1bn in 2022, \$1bn in 2021 and \$944m in 2020. The IMF expects growth of 6% this year, building on 5.4% in 2024 and 5.1% in 2023.

Finance at risk

Tanzania’s main vulnerability is its reliance on concessional loans from donors. These are typically dependent on conditionalities, key among them good governance, democratic reforms and a clean human rights record. With Tanzania regressing on these measures, there are fears that it may struggle to access financing for key projects in the current and next financial year.

Indeed, the European Parliament’s Committee on Foreign Affairs and its Committee on Development in November adopted a resolution calling on the European Commission to withdraw its draft decision on the financing of the 2025 Annual Action Plan (AAP) for Tanzania. The lawmakers cited serious concerns over democratic backsliding, human rights deficiencies and the conduct of the elections. Similar action is expected from many of Tanzania’s development partners, particularly Western nations.

Hassan acknowledged this possibility. “What happened has stained our reputation. There is a likelihood it could impact our ability to access concessional loans as we did during my first term. It’s a setback that we can overcome if we focus on domestic resource mobilisation, leveraging our natural resources to access capital. We have to plan our development independently and partners can join us along the way,” she told MPs.

But domestic resources alone may prove insufficient, Kahyoza notes, warning that constrained financing could derail economic progress.

The solution, he says, is real reform of Tanzania’s democracy and rebuilding trust with international partners. “Tanzania should stop the hubris that we have our own democracy. We have to come to terms with what has happened and assure the world that we are ready to change. We have to fix the political question for the economy to get back on track.” ■

Arts and culture

A Ukrainian museum, restored after damage by Russian missile strikes, plays host to an inspiring exhibition of African art, writes Emily Allen.

Africa and Ukraine: art, sovereignty and solidarity

museum, in a gesture of artistic solidarity between two regions that both know the price of conflict and the value of resilience. Africa Direct invites visitors to take a deeper look at Africa's growing presence in global culture, and at the unexpected kinship between its post-colonial struggles and Ukraine's fight for sovereignty.

Curated by Yulia Fil and Daria Sukhostavets, and initiated by deputy museum director Hanna Rudyk, this exhibition is Ukraine's first ever on art from the African continent. It includes artwork from the private collection of Ukrainian couple Tetyana Deshko and Andriy Klepikov, who worked in African public health for over two decades.

In many museums throughout Europe the works on display are behind glass, leaving viewers to observe from a distance. The curators of Africa Direct have instead chosen to place the works on simple wooden freight boxes marked "Fragile" – a perhaps slightly tongue-in-cheek statement on the journey the art has undertaken in traversing continents and conflicts.

Among the 40 artworks on display is a terracotta vessel, made by women of Nigeria's Dakarkari people for funerary purposes. The carved face is in perpetual shock, eyes wide, eyebrows poised and mouth open



Three years ago Kyiv's elegant Khanenko Museum, home to the largest collection of global art in Ukraine, suffered extensive damage in the first wave of missile attacks on the city by Russia. The famous glass ceiling collapsed and windows shattered, but luckily the collections, which include Byzantine icons and Islamic artwork, were unharmed, having been safely evacuated to museums across Europe.

In a testament to the spirit and determination of the Ukrainian people, the museum was quick to reopen, becoming a local community hub for residents, artists and families in the aftermath of the attack, even as the city continues to suffer bombardment. Some of the glass fragments from the initial bombing were turned into brooches by a local goldsmith and gifted to local residents.

Now, its rooms are once again filled with colour and life. Africa Direct, a landmark exhibition bringing together 40 works from 18 African countries and spanning two centuries, has opened in the restored

Above: The curator has chosen to resist the usual distance imposed by glass, placing the works on simple wooden boxes. Third from left: A terracotta piece, made by women of the Dakarkari people for funerary purposes, carries in its clay the memory of care, mourning and continuity.

as though caught in a silent scream. Its expression feels earned – the vessel has watched over centuries of death and loss, and now rests in a city once again shadowed by war and destruction.

Likewise, the traditional African weapons lent to the Khanenko Museum by the National Museum of the History of Ukraine are a stark reminder that conflict lies at the heart of many African countries' histories and struggles for independence. Objects that once embodied protection and power, they take their place in this exhibition recast as symbols of endurance.

Diplomatic ties strengthen

Before the full-blown invasion of Ukraine by Russia in 2022, diplomatic relations between Ukraine and African nations had been limited. Ukraine had only 10 embassies across the continent. Though many African countries recognised Ukraine's independence after the collapse of the Soviet Union in 1991, in the 30 years since Ukraine sent few senior ministers to African countries until then foreign minister Dymtro Kuleba made the first of a series of tours in October

2022; Ukrainian President Volodymyr Zelensky went to South Africa in April 2025. “Its diplomatic history with the continent was zero,” Ovigwe Eguegu, a Nigerian-based policy analyst, told Deutsche Welle.

Umaro Sissoco Embaló, until 26 November president of Guinea-Bissau, became the first African leader to visit Ukraine during the invasion, in October 2022 when he was chair of the Economic Community of West African States (ECOWAS).

Since then Ukraine has ramped up its diplomatic engagement with African countries. It has opened six new embassies in countries including Ghana, Rwanda, Botswana and Mozambique, with four more planned. The blockade of key Black Sea ports devastated Ukraine’s agricultural sector and led to a shortage of 30m tons of grain reaching Africa. Ukraine has been rebuilding its export capacity and trade links with Africa, and sent 10m tons of grain to the continent in 2024.

“Ukraine realised that Africa is very, very important when it comes to building a strong position in the United Nations, in particular the General Assembly, because Africa presents the largest voting

Africa Direct is more than an exhibition. It is a statement of solidarity, a bridge between two regions marked by struggle but bound by creativity, survival and dignity

block. Camara bring the viewer away from traditions of centuries past into the present moment. These vivid, bold pieces unmistakably speak of life, not of death.

In particular, Ghanaian performance artist Adelaide Damoah is renowned for using her body as the starting point for many of her paintings, leading to unique depictions of movement, form and energy that capture the shared human experience of being alive. Rwanda’s Christian Nyampeta uses painting, sculpture and other media to explore concepts including resilience and recovery in a post-colonial context.

When viewed together, the works on display seem to mirror Kyiv itself: fractured, repaired and defiantly alive, reminding visitors that art is not merely a record of the past but a living dialogue between cultures, histories and lived experiences.

The sombre shadows cast by memorial vessels, weapons and funerary ceramics are counterbalanced by current, genre-breaking art that radiates unity, creativity and healing. The exhibition underscores that life persists even in the shadow of conflict, whether in 19th-century West Africa or in present-day Kyiv.

Walking through the exhibition, viewers follow a path through historical artefacts to contemporary



bloc of any continent,” Ovigwe said. In this spirit of renewed connection and mutual support, Africa Direct resonates not just as a cultural art exchange, but as a reminder of shared resilience and the ever-strengthening bonds that unite Ukraine and the African continent.

A celebration of hope and healing

Not all of the objects on display reference death and destruction: there is hope, healing and celebration of life. Hanging near the funerary vessel is a colourful angel painted on the parchment of an early 20th-century Christian Ethiopian healing scroll, who protects all who view him with his intense gaze.

An elegantly carved wedding stool from Kenya embodies the joy and anticipation of this rite of passage – a celebration of life that, while different in tone from funerary customs, is no less steeped in tradition.

Nearby, the bold geometric patterns of South African artist Esther Mahlangu’s paintings and the raw clay figures of Senegalese sculptor Seyni Awa

artworks. They may differ in terms of time period or medium, but there is more that unites these artworks than separates them. Images of the human body in motion, the realistic detail etched into terracotta and clay, the geometric energy of Mahlangu’s patterns, and the gestures of healing angels all point to a shared truth: across continents and centuries, it is through culture and creation that humans express resilience, hope and community.

Statement of solidarity

In this sense, Africa Direct is more than an exhibition. It is a statement of solidarity, a bridge between two regions marked by struggle but also bound by creativity, survival and dignity.

For Ukrainian audiences living under siege, and for all who come to the museum, the exhibition is a reminder that beauty, joy and reflection persist even amid hardship. It is also a testament to the universal power of art to foster understanding, connection and empathy, encouraging visitors to consider how cultures can inform, uplift and sustain one another. ■

African creativity has never lacked imagination: but what does it need to succeed, asks **Samuel Mensah**, a CEO at Ananse.com, an ecommerce aggregator of African fashion brands and a social enterprise empowering fashion creatives across the African continent.

Why we must close the skills gap to turn African artistry into economic capital

Across the continent, from Lagos to Cape Town, designers and artisans are producing work that is bold, original and globally resonant. Yet for all its potential, Africa's creative economy continues to struggle with one fundamental gap: its skill development ecosystem.

The lack of business acumen, production capacity, technical prowess and formal recognition of creative skills has

impeded the transformation of African creativity into commerce. Too many creatives remain trapped at the level of passion projects, unable to translate talent into sustainable enterprises that can take African fashion to the world stage.

To close this gap, Africa must invest in more than talent and skills needed to turn this talent into enterprise. Creatives need access to core business training and modern production infrastructure that they can apprentice on to turn ideas into

high-quality, market-ready products. Just as crucially, the continent must vocationalise creative and design skills through certification programmes that formalise expertise, enhance credibility and turn skills into capital. Only then can Africa's creative energy evolve from cultural expression into a scalable economic force. This must all be done inclusively, with a focus on catering to women, who form more than 70% of this talent demographic, as found in Ananse's 2023/24 survey of

Opposite: Samuel Mensah, a CEO at Ananse.com.

Below: A fashion designer and entrepreneur inspects production of her collection in Kigali, Rwanda.



7000+ respondents, whose findings will be published on Ananse.com.

Africa's creatives have talent, but not the tools to run a global fashion label

The challenge is not one of inspiration, but of execution and enterprise. While the continent's design schools might teach theory, the broader ecosystem is failing to equip entrepreneurs with the advanced technical, business, digital and compliance skills necessary to compete in both domestic and export markets. This systemic disconnect is vividly captured by Ananse 2023/24 survey.

Close to three quarters of respondents report having beginner-level or no e-commerce skills. In a globalised economy where digital storefronts are the primary gatekeepers of market access, this represents a crippling barrier to scale. The resulting paralysis is clear: close to three quarters of creatives do not export their products internationally, citing a lack of knowledge and financial constraints as the key drivers of their inaction. Even those who do manage to export remain marginal players, with more than half of the exporters generating less than a quarter of their sales from foreign markets.

The problem extends beyond digital proficiency and into the heart of running a sustainable business. Basic financial acumen is a major hurdle. A quarter of respondents each note sales analytics and accounting as the primary challenges preventing effective record-keeping. The absence of skilled knowledge in these areas severely hinders creatives' ability to recognise current business deficiencies, forecast growth opportunities, raise private capital and manage compliance, underscoring the absolute necessity of integrating comprehensive business proficiencies into training models.

Furthermore, the lack of quality-driven, scalable skills prevents businesses from even reaching the international starting line. As Lauren England, senior lecturer in creative economies at King's College London, emphasised in the recently conducted Ananse roundtable, creatives aiming for scale frequently encounter a scarcity of skilled labour. This shortage impacts critical technical areas like product quality, pattern cutting and cloth design, which are essential for accessing high-value global markets. When more than a third of the respondents cite difficulty in building customer trust online, the need for rigorous, certified training in areas like online branding, digital marketing, and quality control becomes undeniable. We cannot ask a passionate artisan to compete with a global fashion house without giving them the toolkit of a CEO.

Why skills development programme implementation needs to be inclusive

If African fashion is to realise its full economic potential, it must confront the fun-

damental issue of gender exclusion. The creative economy is overwhelmingly a women's economy: Ananse's research confirms that more than 70% of fashion and design-led MSMEs are women-owned. Yet, these women, the very drivers of the industry, are often the most systemically excluded from the skills and infrastructure necessary to scale beyond the informal, micro-scale level.

This exclusion is compounded by the harsh realities of the digital divide and structural constraints. Access to online training, vital for developing those lacking e-commerce skills, is routinely blocked. Secondary data highlights that the cost of connectivity is prohibitive in many regions – where 1 GB of data can cost about 3.3% of average monthly income – making consistent access to online courses unaffordable. Furthermore, only 36% of women



‘Africa’s challenge is not inspiration but execution—creative talent must be matched with enterprise’

in Sub-Saharan Africa have mobile internet access, compared to nearly 50% of men, creating a massive digital chasm in the continent's most female-driven industry.

Beyond digital access, the physical and social structures are hostile to scaling women-led enterprises. Ananse's qualitative data insights from the sector confirm that rigid, synchronous training schedules and the burden of caregiving responsibilities severely restrict women's ability to attend in-person sessions, especially outside of major metropolitan areas. This is why fewer than 15% of female creatives use online marketplaces; they face limited digital literacy, high setup costs and a fundamental lack of tailored support.

To turn this engine of creativity into a scalable economic force, skill development programmes must be aggressively inclusive. This means establishing facilities that provide essentials like affordable childcare, implementing flexible or asynchronous training schedules, and ensuring access to shared infrastructure and affordable finance. These are some of

the learnings' Ananse's Center for Design in Lagos implements. However, such hubs need to be available across the continent and for that, ecosystem support is imperative.

Policy, partnership and the path to professionalism are a must

The systemic issues plaguing African fashion cannot be solved by individual creativity or private initiatives alone; they require coordinated action from the highest levels. The lack of scalable development programmes points directly to a critical need for improved policy and regulatory support.

With only 12 of 55 African countries possessing a creative strategy as of 2024, government approaches remain fragmented. This fragmentation leaves training initiatives generic, uncoordinated and often outdated. Governments must finally recognise the immense job and economic potential of the creative sector and invest decisively in targeted, sophisticated skill-building programmes. To secure Africa's creative future, two policy-driven actions are paramount.

Formalising skills and Securing IP: We must vocationalise creative and design skills into formal, certified programmes that grant expertise respect and turn skills into capital. Just as critically, governments must work with intermediaries and platforms to not only turn African creativity into cultural capital but to protect it. This means developing skills training programmes that equip creatives with the knowledge to secure their designs and Intellectual Property (IP), while simultaneously working at a policy level to gain international recognition for indigenous skills.

Funding grassroots partnerships: To scale impact and overcome the digital and geographical divide, public and private sector support must coalesce around public-private partnerships (PPPs). For example, the model of Ananse Africa collaborating with the government of Nigeria to expand training beyond Lagos is essential. While digital courses remain integral, the reality of literacy and connectivity challenges means physical hubs and grassroots initiatives must be funded to ensure that talent, regardless of location, has access to market linkages and skill development.

Turning African creativity into global commerce is not a passion endeavour but an economic imperative. By closing the skills gap in business and production, ensuring radical inclusion for women and formalising talent through robust policy, Africa can finally build a sustainable, scalable creative economy that fulfills its world-shaping promise. ■

Review

The intriguing memoir by one of Africa's most prominent global CEOs spans the world of high finance and low politics, writes Stephen Williams.

Thiam: from business to politics – and back again?

Tidjane Thiam is a man who defied the odds to become a celebrated chief executive at the helm of a raft of corporate giants – but who this year was barred from running for president in his home country of Côte d'Ivoire. The son of parents Amadou and Mariétou, Thiam had an upbringing featuring both privilege and deprivation.

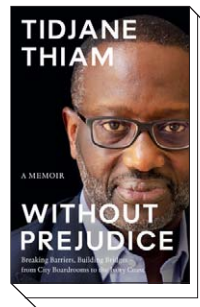
He experienced privilege as his mother was born into an aristocratic Akoué family whose chief, her uncle, was President Félix Houphouët-Boigny – who led Côte d'Ivoire from independence in October 1960 until his death in December 1993.

But Thiam's childhood was also marked by emotional deprivation at a young age, when his father was imprisoned on politically motivated charges – denying infant Tidjane a crucial anchor in his life and leading him, he says, to become uncommonly close to his mother.

His father was eventually acquitted of all charges and released from jail in time to see his youngest son, Thiam, begin his education.

Restored to Houphouët-Boigny's favour, Thiam's father was made the Ivorian ambassador to Morocco. Thiam notes that Morocco and Côte d'Ivoire were the only two countries in West Africa to take a largely pro-Western, pro-American stance during the Cold War period, when much of West Africa leaned towards sympathy with the Soviet bloc.

It was in Rabat that Thiam was to discover a world of “bias and judgement – the idea that the colour of my skin could



**WITHOUT
PREJUDICE:
A MEMOIR**

By Tidjane Thiam
William Collins
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be a handicap”. On his first day at an elite French school in Rabat, where he was the only black student, he was set upon by a gang of racist students. He recalls being spat at while riding in the family car.

Nevertheless, he persevered with his studies and graduated, passing his exams with distinction, becoming the first Ivorian to win a place at the prestigious École Polytechnique in France.

After two years of science and theoretical mathematics Thiam progressed to the École des Mines in Paris, studying subjects as diverse as the mechanics of turbines, accounting, law, finance and chemical engineering.

He also experienced the emotional turmoil of losing his beloved mother, who died of a rare blood disease – “someone who had taught me so much about our African heritage, about self-respect, about the importance of personal integrity – a devastating blow”.

Finding a role

When it came time to find an internship, unlike his peers, his letters of application to the HR departments of major corpora-

tions went unanswered. But, leveraging his father's now substantial influence, he found a large French corporation which took him on: “for me this represented a complete breakdown of the supposedly meritocratic French model.”

He next took on a position with the US consultancy firm McKinsey. From there he moved on to the Washington-based World Bank, which he hated: “Too many bureaucrats taking tax-free salaries, peddling badly designed loans and lecturing poor countries on how to run their affairs,” he writes. A return to McKinsey was quickly arranged.

It was the death of Houphouët-Boigny that took him back to Côte d'Ivoire. Houphouët-Boigny's successor, Henri Konan Bédié, offered Thiam a post leading the Direction et contrôle des grands travaux (DCGTX) which oversaw major state companies. He describes the offer as both “flattering and terrifying”.

A coup d'état

Thiam had sensed tensions in the country and had sent his wife to the US for the safety of her and the two children. While Thiam was flying to join them for Christmas, President Henri Konan Bédié was overthrown in the country's first coup d'état.

But Thiam initially decided to remain in Abidjan. Thiam's record at the DCGTX was examined closely and he was cleared of any improprieties by the new administration, and even offered a new post as chief aide to General Robert Guéi, who had led the coup; an offer he declined. He also had a meeting with Alassane Outtarra – who would one day become a key rival.

Sensing the political winds shifting again, he ultimately left the country for Europe – and did not return for years. A year later elections returned Laurent Gbagbo as president, and nearly three years later the country was plunged into the First Ivorian Civil War when an insurgency against Gbagbo was launched.

Thiam's life now turned to the rarefied world of European corporate giants, starting with a spell at the British insurer Aviva, where he reviewed the business and advised the CEO that the company should buy its biggest and oldest rival, Prudential, and tried to turn its attention to the Asian markets – a move which was not followed up. He later became managing director of Aviva International.

With boardroom success, Thiam's star also rose on the global stage. In 2004 he was invited to join the Africa Commission set up by UK Prime Minister Tony Blair, which focused on debt relief. Thiam writes that he pressed for a workstream on peace and security.



The Pru comes calling

Thiam turned down an approach from Lloyds to become its CEO before Prudential (“the Pru”) offered him the post of chief financial officer. Almost immediately he was confronted by the global financial crisis stemming from the 2008 sub-prime mortgage-backed securities imbroglio.

Despite fierce internal competition, he was named as CEO and soon faced another crisis; over a failed \$35bn takeover of US insurance giant AIG’s Asian subsidiary, AIA. Thiam received a rap on the knuckles from the UK’s City regulator for failing to tell the watchdog it planned to launch a \$35.5bn bid for its Asian rival. Tracey McDermott, the Financial Conduct Authority’s director of enforcement and financial crime, said at the time that this was “a serious error of judgment for which Prudential is paying the price”.

Despite that debacle, Thiam was headhunted by Credit Suisse. Within four

years, says Thiam, the bank had attracted \$200bn in new funds – Thiam also recalls that in 2020 he reported nearly \$4bn in pre-tax profits, raised \$11bn in fresh capital and reduced costs by 20%.

However, Thiam resigned in 2020 after losing a boardroom battle that erupted when the bank admitted to having hired private detectives to spy on former staff in a corporate espionage case that shook the Swiss banking world.

Return to politics

That resignation led him to decide in 2023 to “enter frontline politics and stand for election as the head of my great-uncle Houphouët’s party,” the Parti Démocratique de la Côte d’Ivoire, with a platform focused on “education, sharing prosper-

ity, upholding the rule of law, embracing technology and encouraging sustainable development”.

He cautions that entering African politics “is not for the faint hearted”. So it proved. Thiam was successful in his bid to lead his party, but faced a legal challenge when it came to running against long-term President Alassane Ouattara of the Rassemblement des Républicains (RDR), who was seeking his fourth term.

But a court ruled in April that Thiam should be removed from the electoral roll because he was a French national when he registered his candidacy. Côte d’Ivoire law states that candidates must be Ivorian citizens. It was confirmed in March that he had renounced his French citizenship, but to no avail. He would not be allowed to stand, and Ouattara eased to re-election.

Having been dramatically thwarted in his daring bid for power, the next chapter in Thiam’s rollercoaster career remains tantalisingly unwritten. ■

He cautions that entering African politics ‘is not for the faint hearted’. So it proved



Tidjane Thiam greeting supporters in Côte d’Ivoire during his run for the presidency, prior to his removal from the ballot.

Africa's concerns featured prominently throughout the G20 Summit and leaders' declaration. Guest comment by Kwame Ofori Appiah.

South Africa delivered for the continent at the G20



Above: President Cyril Ramaphosa during the closing ceremony of the G20 Summit.

From the very outset of South Africa's G20 presidency, President Cyril Ramaphosa was clear that this would be the G20 at which African issues were truly centred. With the Africa Union invited as a G20 member only as recently as 2023, the continent has long been something of an afterthought for the annual summit. But if the leaders' declaration that capped off the two-day summit is anything to go by, Ramaphosa can claim the credit for making good on his promise. For the first time, Africa is not peripheral to the 30 page document.

Focus on African priorities

The declaration prioritises climate change, one of the most potent long-term threats to the continent. Recognising the disproportionate impact as well as the disparities in funding for resilience and disaster

response, the statement calls for the global community, "including donors, international financial institutions, development banks and the private sector, to address post-disaster recovery and reconstruction and adaptation, disaster mitigation, preparedness and rebuilding measures," cautioning that this must be done in a way that advances "sustainable resilience, particularly for developing countries and those most vulnerable, respecting their national circumstances and priorities". While this is not a solely African problem, action on this would have a significant impact on the continent's preparedness for climate-induced disasters.

Another Africa-focused issue – one that Ramaphosa had also committed his presidency to – is the debt challenge. The declaration notes that debt vulnerabilities are "particularly challenging for many low-income countries, especially those in Africa," where high interest burdens are crowding out development spending at alarming rates.

The G20 leaders in their statement reaffirm their commitment to improving the Common Framework for Debt Treatments, while welcoming "recent progress of the Common Framework" and noting that "five years after its creation, it provided debt treatments to the four countries that had requested it, namely Chad, Zambia, Ghana and Ethiopia".

Equally significant is the communiqué's endorsement of IMF quota and governance reforms. "We underscore the need for enhancing the representation and voice of developing countries in decision making in multilateral development banks (MDBs) and other international economic and financial institutions."

On critical minerals, another of the priorities Ramaphosa had adopted for his presidency, the declaration in Johannesburg signals a shift in how the continent's mineral wealth is perceived. Accepting that African countries must be able to retain more value from their natural resources, the statement announces the creation of a Critical Minerals Framework, a non-binding scheme that, where employed, will support beneficiation at source. For African countries that means more local processing and value capture, rather than the export of raw materials that has been the norm for many since the colonial era.

A new partnership

Perhaps the most consequential sections of the declaration are those on a "Partnership for Africa". It represents the most explicit Africa-focused chapter in any G20 communiqué to date, declaring support for African industrialisation, trade integration, job creation and infrastructure development, while noting the expansion of the Compact with Africa to include Zambia and Angola. Importantly, it commits to the implementation of a new long-term Africa Engagement Framework for 2025–2030, which is expected to support African countries "to achieve their economic, financial and related objectives".

For a continent that has fought for global governance reform for decades, this summit and the declaration form a signal moment in that effort. It will also serve, should its lofty ambitions in respect of the continent be realised, as a vindication of Ramaphosa's dogged pursuit of his agenda, against significant opposition, right to the very end. ■

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