



Mo Ibrahim Foundation

2025 Forum Facts & Figures

Financing The Africa We Want

Key findings

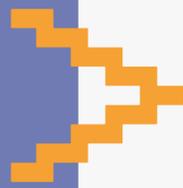
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May 2025



Introduction: setting the scene

OFFICIAL DEVELOPMENT ASSISTANCE IS OVER

2025: a massive ODA reduction from historical donor countries

Accelerating a trend of diminishing commitment

Africa's share of global ODA: a loss of 11 percentage points over 10 years

Spotlight: The current multilateral financial system does not meet Africa's need for long-term, concessional finance

CLIMATE FINANCE FOR AFRICA IGNORES THE REAL NEEDS

Africa's climate finance needs amount to \$1.6-\$1.9 trillion, with just over half costed

Africa receives less than 3% of total climate finance flows to developing countries, with only 36% earmarked for adaptation

Is climate finance crowding out development finance for Africa?

AFRICA'S DEVELOPMENT AND CLIMATE BILLS CAN ONLY RISE

While higher than the global average, economic growth in Africa continues to run behind demographic growth

Africa's development agendas are largely off track

Trillions are needed to close the financing gaps for Africa's development

Spotlight: The AU's Agenda 2063: "The Africa We Want"... and intend to finance

Chapter 01. Maximising domestic financial resources

Spotlight: Africa's domestic financial resources: gains almost cancelled by losses

DEBT & IFFs ARE DRYING UP AFRICA'S RESOURCES

Africa's external public debt has almost doubled in the last ten years

Though not the most indebted region at global level, Africa's debt-to-GDP ratio is the highest in the world

For seven African countries, external public debt represents more than 50% of their GDP

At average continental level, debt service makes up almost 14% of government spending, twice Africa's health expenditure

Capital flight: Africa loses around \$90 billion a year, more than ODA received

Assessing IFFs and capital flight requires collaboration between origin and destination countries

Spotlight: Re-domesticating IFFs

DOMESTIC TAXES STAND FAR BELOW AVERAGE

Africa has the lowest tax-to-GDP ratio of all world regions

Only 14 African countries reach a tax-to-GDP ratio of at least 15% or higher

Goods and services make up 8%; payroll and property taxes contribute the least to public revenue

Progressive wealth taxes could generate billions for Africa

Corporate tax holidays: foregone revenue of around \$55 billion a year

Half of Africa's citizens would prefer to pay higher taxes in exchange for more government services

Spotlight: Formalising the informal economy

AFRICAN SWFs, PENSION FUNDS & REMITTANCES: A LARGE POTENTIAL STILL UNTAPPED

African sovereign wealth funds are estimated at around \$130 billion in 2023

23 African countries have at least one established sovereign fund, with only three valued at more than \$5 billion

Spotlight: Unlocking infrastructure investments through SWFs

At almost \$220 billion, Africa's pension funds are the continent's largest source of investible capital

Spotlight: Leveraging African pension funds

\$90 billion in remittances flow into Africa each year, representing over 10% of GDP for many countries

African remittances remain concentrated in major economies

Spotlight: Leveraging remittance inflows

Spotlight: Using diaspora bonds as a sustainable debt instrument

Chapter 02. Monetising Africa's natural assets

MINERAL WEALTH

Africa owns some of the largest mineral reserves in the world

African countries are already some of the largest mineral producers

While Africa contributes significantly to global mineral exports, they remain largely as unprocessed raw or semi-processed commodities

Despite the climate change challenge, oil exports remain a key source of income for some African countries, while natural gas is on the rise

Spotlight: From extraction to empowerment: upgrading Africa's role in global supply chains amid the green shift

RENEWABLE ENERGY SOURCES

Africa comprises 60% of global solar power potential

Global geothermal energy production could be greatly boosted by Africa's potential

Africa has only tapped into 0.01% of its wind power capacity

Spotlight: The green hydrogen dilemma: growing demand for a valuable export but at what cost?

BIODIVERSITY CAPITAL & CARBON-SINKING CAPACITY

Africa is home to one sixth of the world's plant species and forests

The world's most important carbon repositories: forests, grasslands, peatlands and mangroves

Spotlight: Carbon and biodiversity credits: an alternative to traditional climate finance

BLUE ECONOMY POTENTIAL

Africa's oceans and blue economy could contribute up to \$1 trillion annually

Tapping into Africa's fisheries and aquaculture potential

A strategic shipping hub

AFRICA'S AGRICULTURE: THE KEY TO GLOBAL FOOD SECURITY?

65% of global arable land yet to be cultivated in Africa

Africa's food production is worth \$81 billion a year

Moving from food insecurity to creating wealth

Spotlight: Africa's most important asset: its youth and working age population

Chapter 03. Attracting investment in Africa

THE PARADOX OF INVESTMENT IN AFRICA: HIGHEST RETURNS, LOWEST INVESTMENT GLOBALLY

Foreign investment in Africa provides the highest returns globally

Africa's investment strength is driven by three key pull factors

Despite high returns, investment flows to Africa remain low at 4% of the global total

While Europe remains Africa's largest source of FDI inflows, Gulf countries are increasingly investing in Africa

FDI flows remain concentrated in the five largest African economies

Metals and renewables attract the most FDI

Spotlight: Reaping the dual benefits of high returns for investors and Africa's people

OVERCOMING HURDLES: CREATING THE RELEVANT CONDITIONS TO ATTRACT CAPITAL

Assessing African risk: is there an African "premium"?

Inside the black box: understanding rating methodologies

Spotlight: Is an African Credit Rating Agency (AfCRA) really the solution?

Mitigating African risk: a new avenue for financial partnership?

Spotlight: Germany's public guarantees and securities for private investors

Institutional and regulatory environments: governance is key

Currency challenges: the call for a single currency?

Spotlight: African Monetary Union: key to currency sovereignty?

Africa's stock exchanges: market capitalisation remains limited

Project bankability: a key requirement to leverage Africa's potential

Spotlight: Africa's high-net-worth individuals' investable wealth: \$2.5 trillion?

ACCELERATING AFRICA'S CONTINENTAL INTEGRATION IS KEY TO LEVERAGING ITS POTENTIAL

Once properly implemented, the AfCFTA has the potential to propel Africa into a new financial era

Spotlight: Five key tools for the AfCFTA

Introduction

Setting the scene

2025: A massive ODA reduction from historical donor countries...

Top 10 African countries: USAID cuts (as of 27 March 2025)

Country	Cut as % GNI	Cut as % country programme	Absolute cut (\$ million)
Liberia	2.59	98	103
Somalia	1.03	22	113
Malawi	0.94	64	116
Mozambique	0.90	47	172
Mali	0.76	66	149
Rwanda	0.74	65	102
Lesotho	0.65	57	17
Uganda	0.64	66	307
Burundi	0.63	82	17
Eswatini	0.61	100	25

US: -38%
(2024-2025)

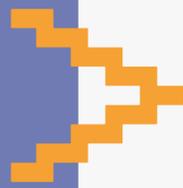
France: -18.6%
(2024-2025)

Germany: -10.5%
(2023-2025)

UK: -6.5%
(2023-2025)

USAID cuts as a % of GNI:
less than 1% for 42 African
countries (of those with
data available)

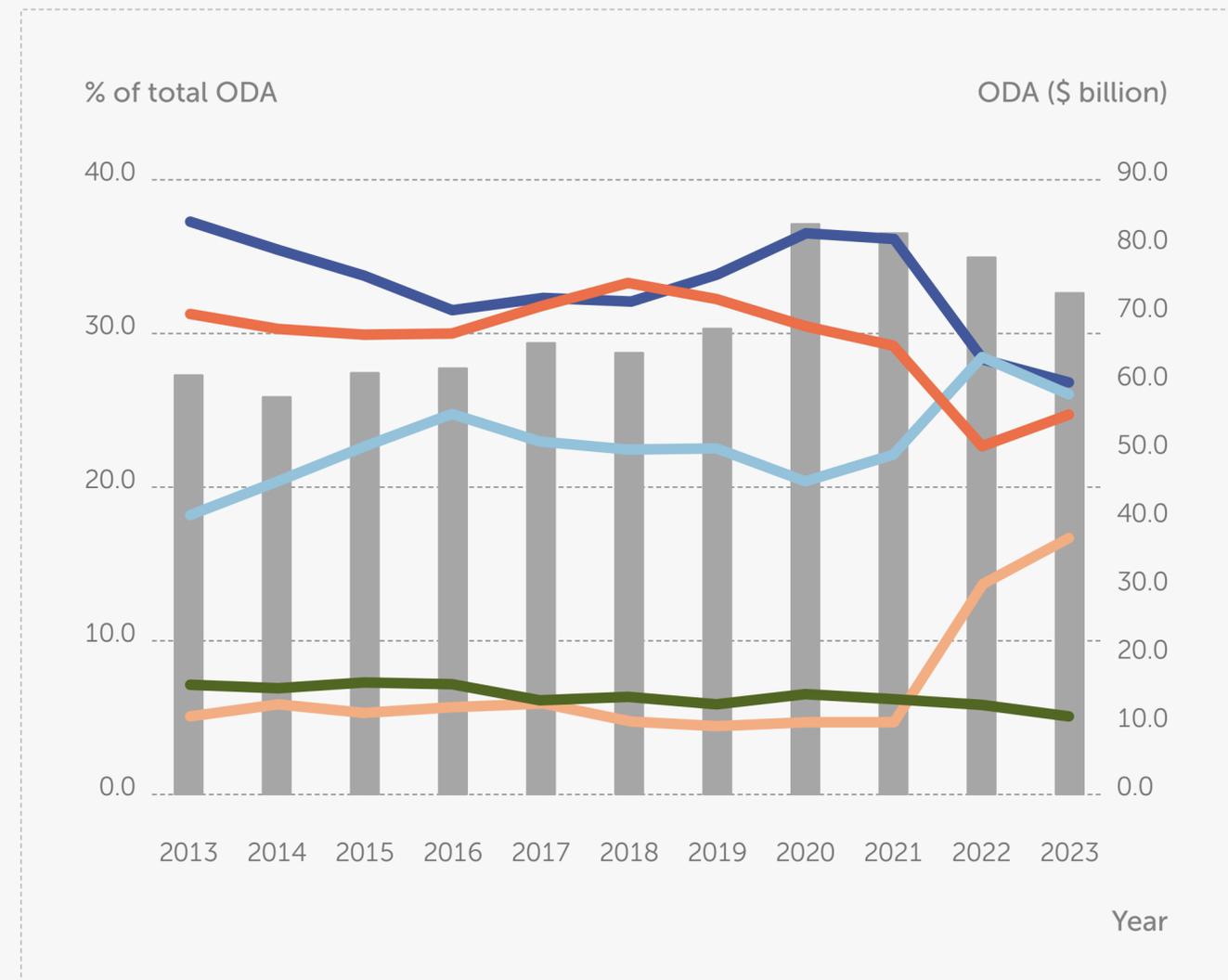
ODA cuts are partly
caused by increases in
military spending, +37%
globally over 2015-2024



...accelerating a longer trend of diminishing commitment

Despite remaining the biggest recipient by volume (\$73.6 billion in 2023), Africa's share of ODA has dropped by 11 percentage points between 2013 and 2023 (from 37.6% to 26.7%).

World regions: share of total ODA & total ODA received by Africa (2013-2023)

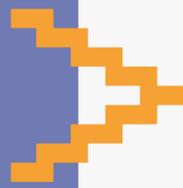


The rise in Europe's share since 2021 is due to ODA received by Ukraine

Only five DAC countries achieved the 0.7% GNI/ODA target in 2023

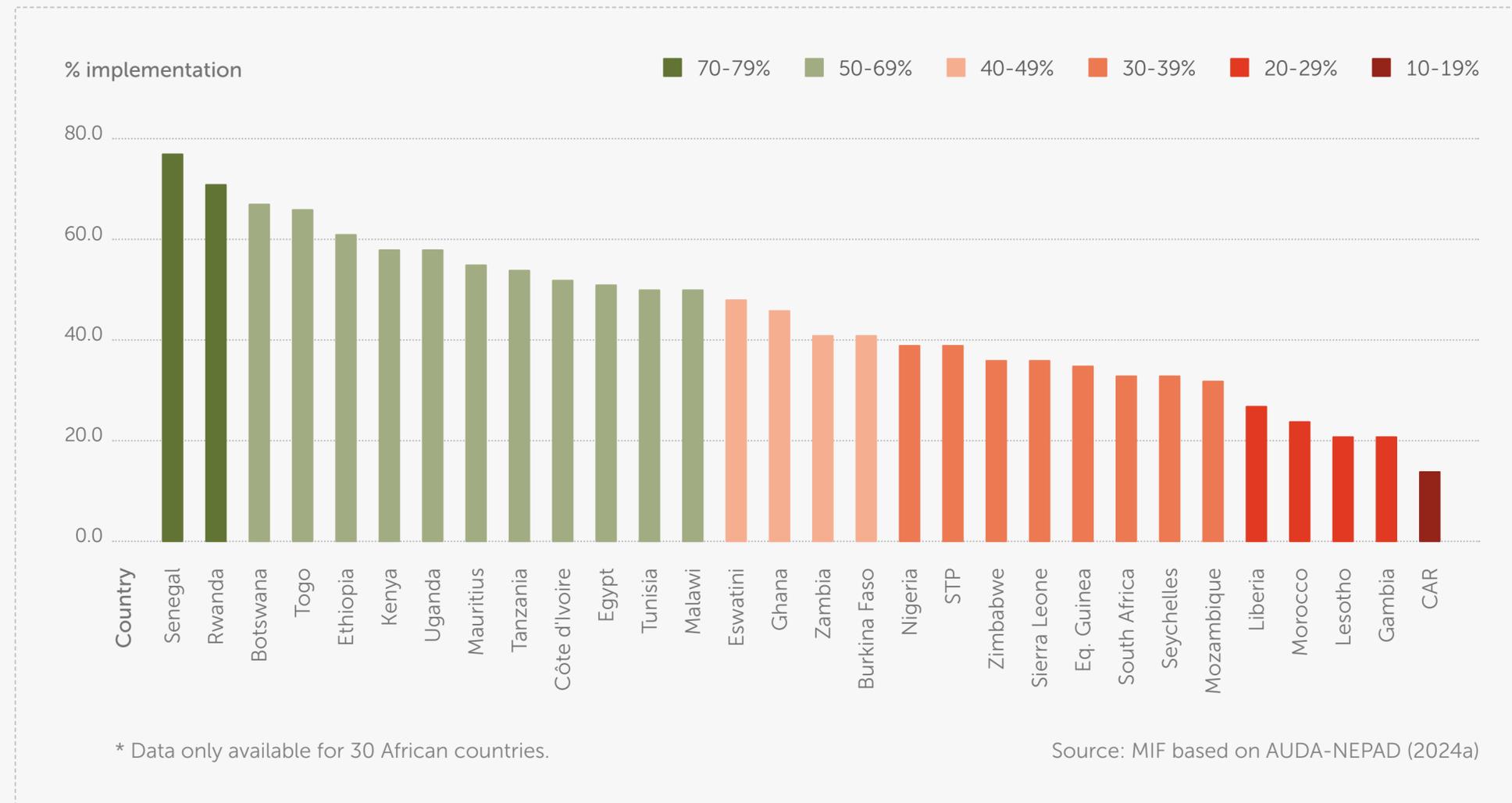
- World region
- Europe
- Africa
- America
- Asia
- Developing countries, unspecified
- Africa (\$ billion)

Source: MIF based on OECD (2025b)



Africa's development agendas are largely off track

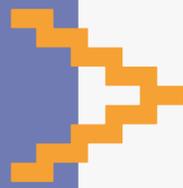
African countries: Agenda 2063 implementation progress (2023)*



At the end of the AU's Agenda 2063 First Ten-Year Implementation Plan (FTYIP) in 2023, the implementation rate across the continent was 50%.



In 2024, only 6% of the UN SDGs were on track to be met at deadline in Africa.

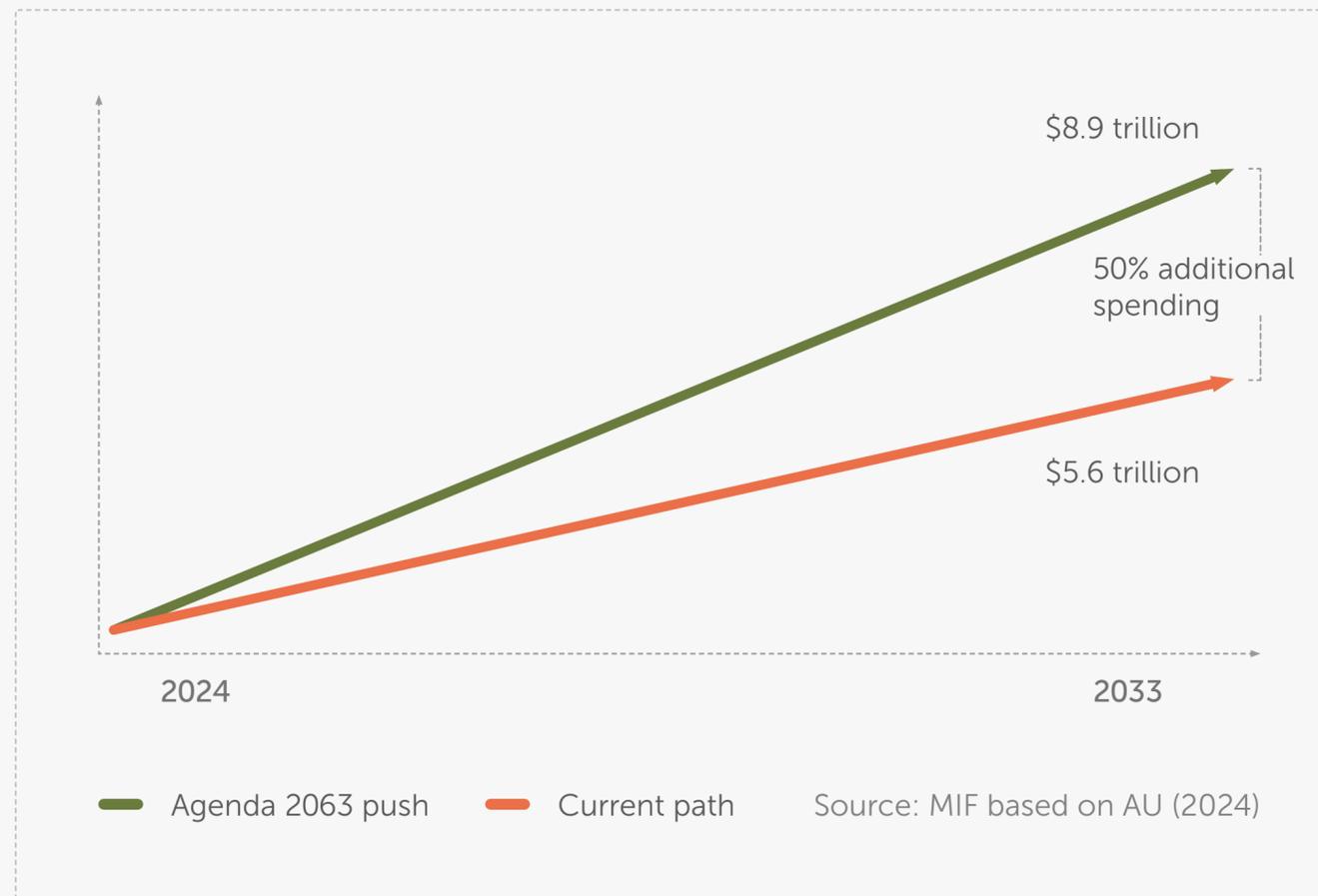


Trillions are needed to finance Africa's development

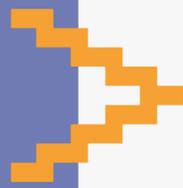
Africa's annual SDG financing gap sits at **\$194 billion** until 2030.

To achieve Agenda 2063's Second Ten-Year Implementation Plan (STYIP), Africa will need to mobilise an **additional \$330 billion on annual average** until 2033.

Africa: cost estimates for the Agenda 2063 STYIP (2024-2033)

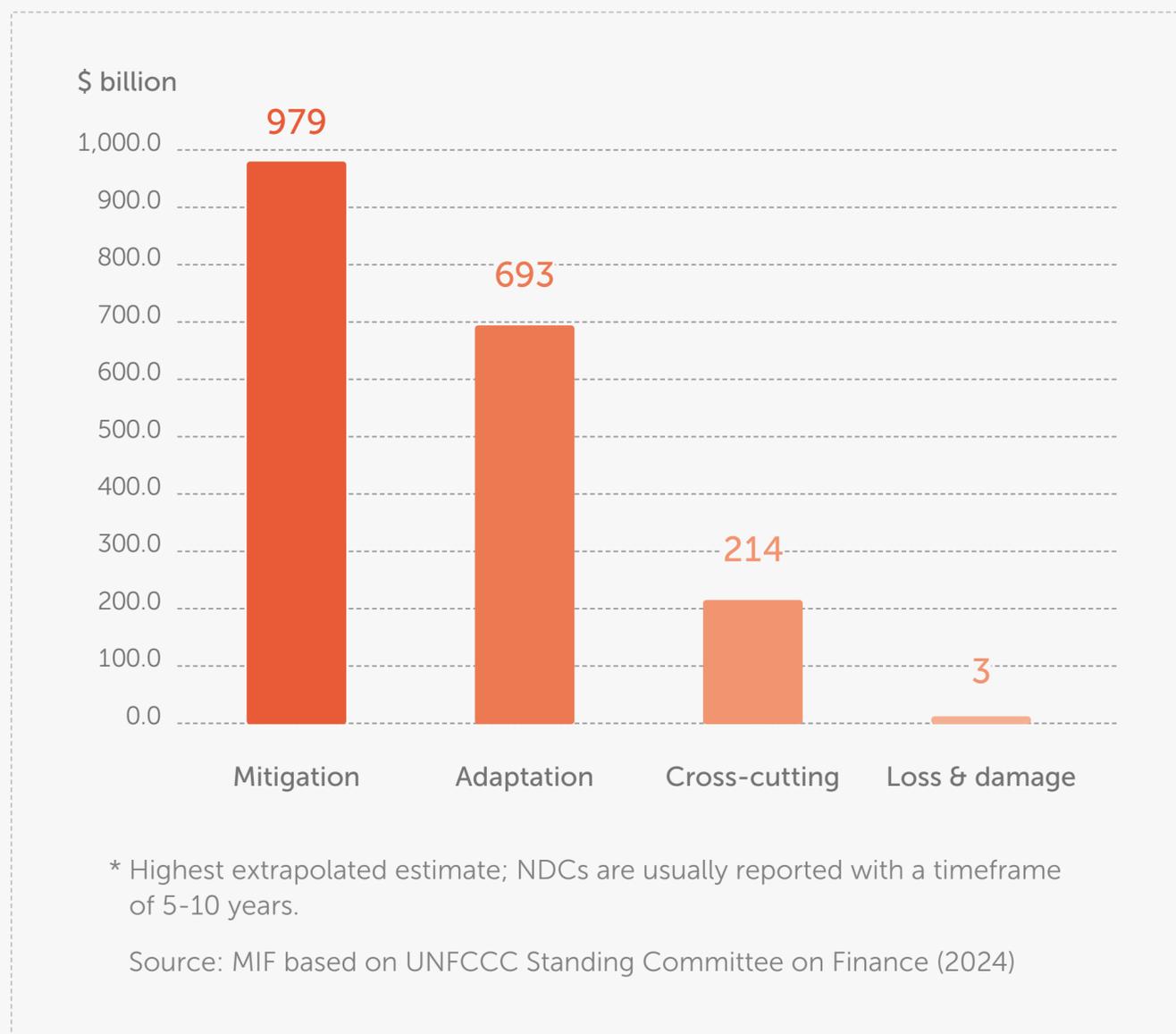


The primary objective of the STYIP is for all AU member states to achieve middle-income status by 2033



Africa's climate finance needs amount to \$1.6-\$1.9 trillion, with just over half costed

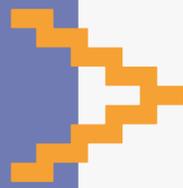
Africa: costed needs by type as reported in NDC submissions (2024)*



African countries' Nationally Determined Contributions (NDCs) amount to \$1.6-\$1.9 trillion.

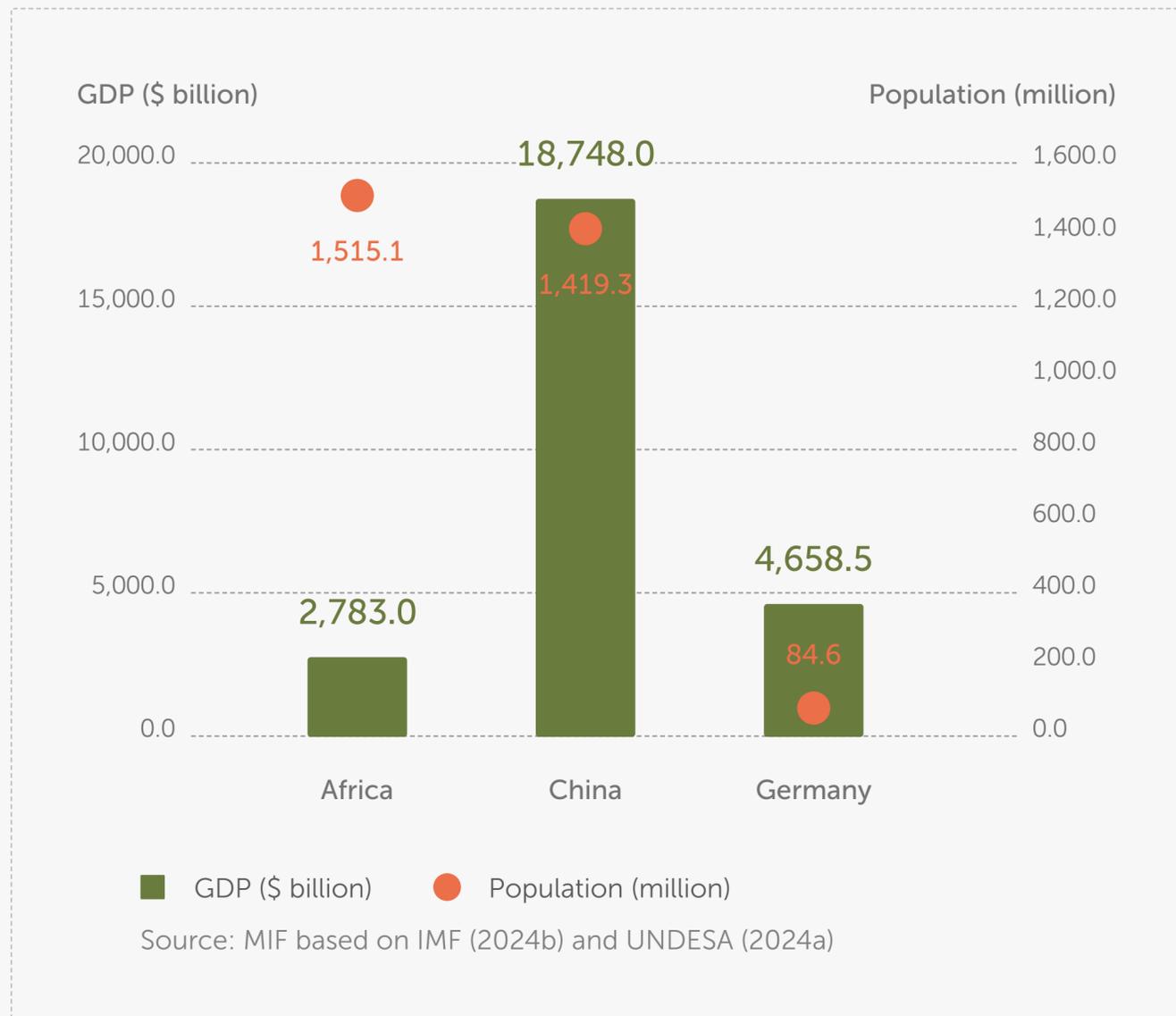
43% of needs remain uncostered, mainly those concerning adaptation, a top priority for Africa as the continent most vulnerable to the impact of climate change.

Climate finance needs are likely underestimated as many uncostered needs relate to adaptation, and as damages from climate change can occur faster and stronger than estimated at the time of NDC submissions.



Africa's development and climate bills can only rise

Africa & selected countries: GDP and population (2024)



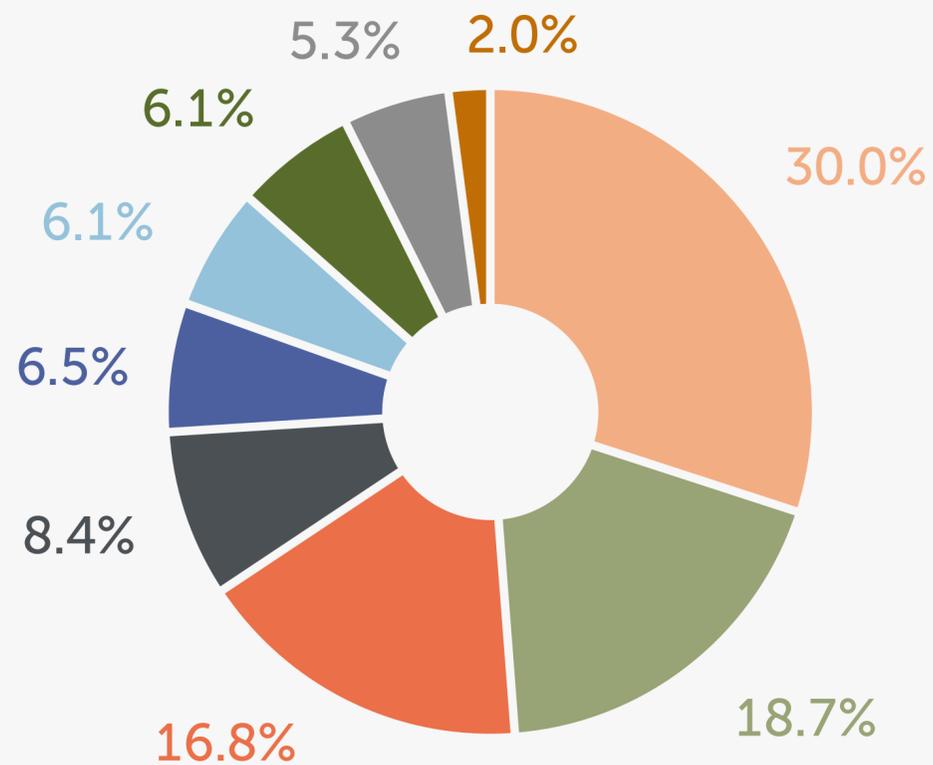
With projected real GDP growth between **3.9% and 4.5%**, Africa will continue to outpace all other world regions over the next five years.

Yet continental GDP remains relatively small and **economic growth continues to run behind demographics**. For approximately the same population, Africa's GDP is six times smaller than China's.

By 2100, Africa's working age population is projected to grow to 2.4 billion people (40.6% of the world's total), meaning 20 million new jobs will have to be created each year between now and then.

The current multilateral financial system is not fit for purpose

World regions & selected countries: share of IMF votes (2025)



World region

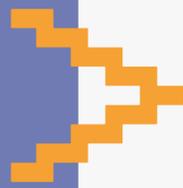
- Europe (excl. Germany)
- North America
- Asia (excl. China and Japan)
- LACA
- Africa
- Japan
- China
- Germany
- Oceania

Source: MIF based on IMF (2025a)

IMF voting rights, special drawing rights (SDR) allocation, debt service, surcharges and conditionalities greatly limit Africa's access to long-term concessional finance.

With GDP as the most significant factor determining IMF quotas and voting shares, the system maintains a power and development imbalance.

Africa only has 6.5% of IMF voting rights, only marginally more than China

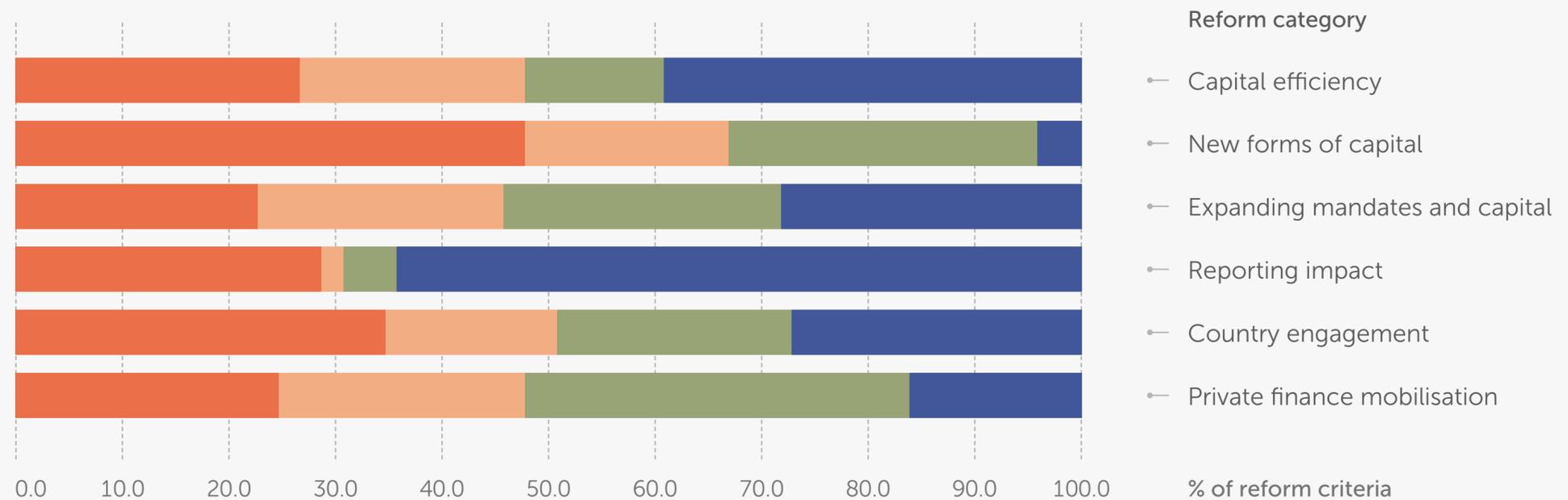


Progress has only been achieved for about 50% of MDB reform agenda items

Over the last three years, multilateral development banks (MDBs) have begun reforming to become more inclusive, crisis-responsive and better aligned with Africa's development priorities.

Full implementation still only ranges from 5% to 64% across reform types, with an average of 50%.

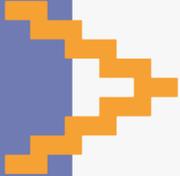
Selected MDBs: progress across reform categories (2024)*



● Not being pursued ● Announced intention ● Partial progress ● Implemented

Source: MIF based on CGD (2024)

* MDBs assessed include AfDB, ADB, AIIB, EBRD, EIB Global, IDBG and WBG.



Agenda 2063: *The Africa We Want...*



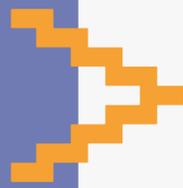
Selected continental frameworks

- Programme for Infrastructure Development in Africa (PIDA)
- Comprehensive African Agricultural Development Programme (CAADP)
- Boosting Intra-African Trade (BIAT)
- Accelerated Industrial Development for Africa (AIDA)
- Africa Mining Vision (AMV)



Selected flagship projects

- African Continental Free Trade Area (AfCFTA)
- African Commodity Strategy
- Continental financial institutions
- Single Africa Air Transport Market (SAATM)
- Continental high-speed train network
- Free movement of all persons and African passport
- Africa Single Energy Market (AfSEM)



...and that we intend to finance

Between 75% and 90% of the financing for the Agenda 2063 is expected to come from **domestic resource mobilisation (DRM)**:

1. Enhancing fiscal resource mobilisation,
2. Maximising natural resource rents – agriculture, maritime and tourism,
3. Leveraging African institutional savings – pension funds, central bank foreign exchange reserves, sovereign wealth funds and capital market development,
4. Enhancing retail saving mobilisation through financial inclusion – curbing IFFs and reducing corruption-based leakages.

The remaining 10%-25% will come from **external financing mechanisms (EFM)**:

1. Foreign direct investment (FDI),
2. Official Development Assistance (ODA),
3. Financial cooperation from emerging development partners,
4. Public-private partnerships (PPP) and other forms of investment partnerships,
5. Leveraging of diaspora remittances and savings,
6. Improved access to international financial markets.



Africa, we really need to change our mindset. Access to aid, we can begin to think of it as a thing of the past. We have to focus on two things: attracting investment and mobilising our own domestic resources.

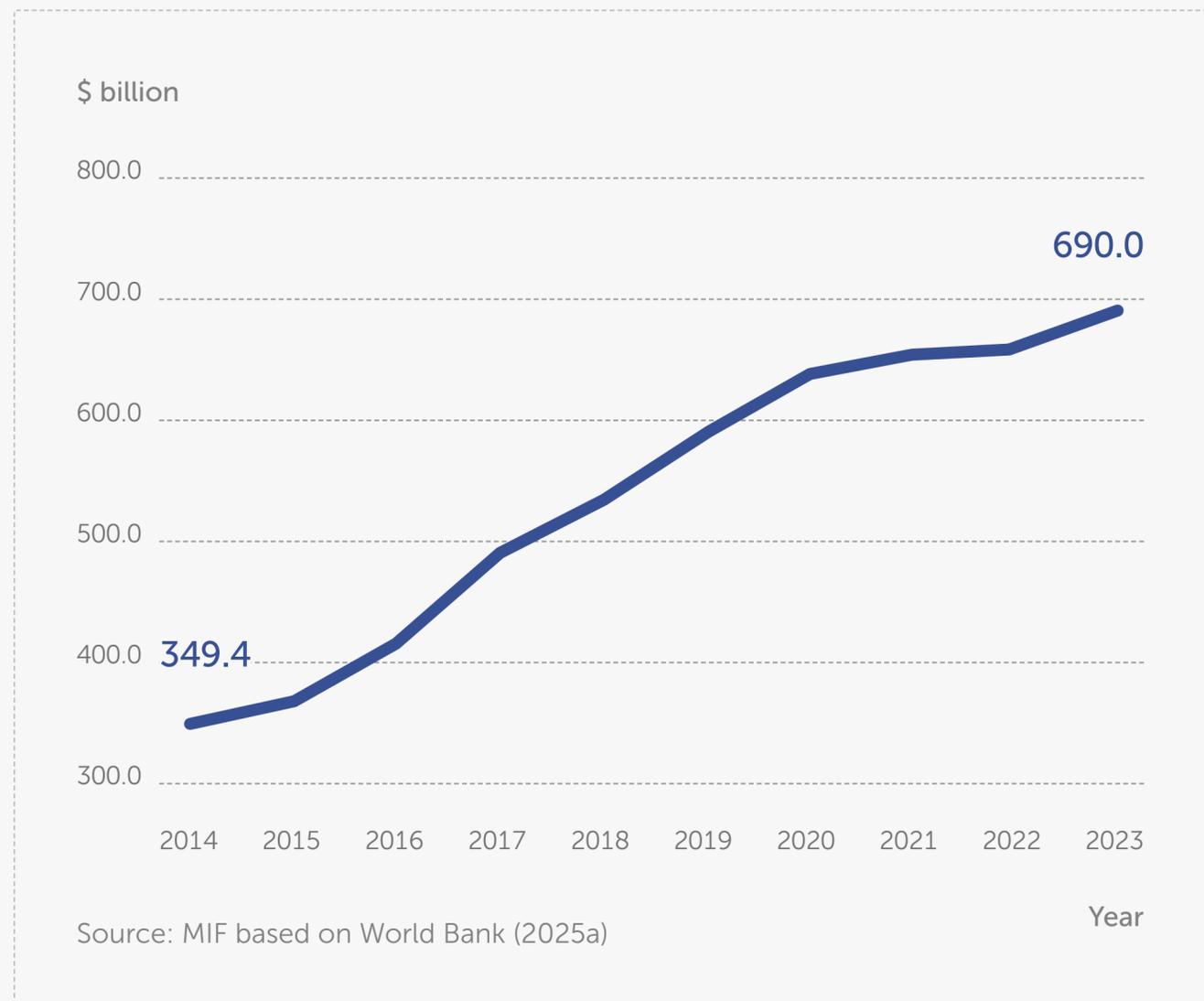
*Dr Ngozi Okonjo-Iweala,
Director General, WTO,
February 2025*

Chapter 01.

Maximising domestic financial resources

Africa's external public debt has almost doubled in the last ten years

Africa: total external public debt stock (2014-2023)

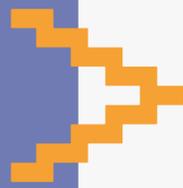


Between 2014 and 2023, Africa's external public debt stock almost doubled from \$349.4 billion to \$690 billion, fuelled by external shocks like COVID-19, commodity crashes and limited access to concessional finance.

In 2023, Africa's external public debt stock is equivalent to almost 1/4 of its GDP, the highest ratio in the world

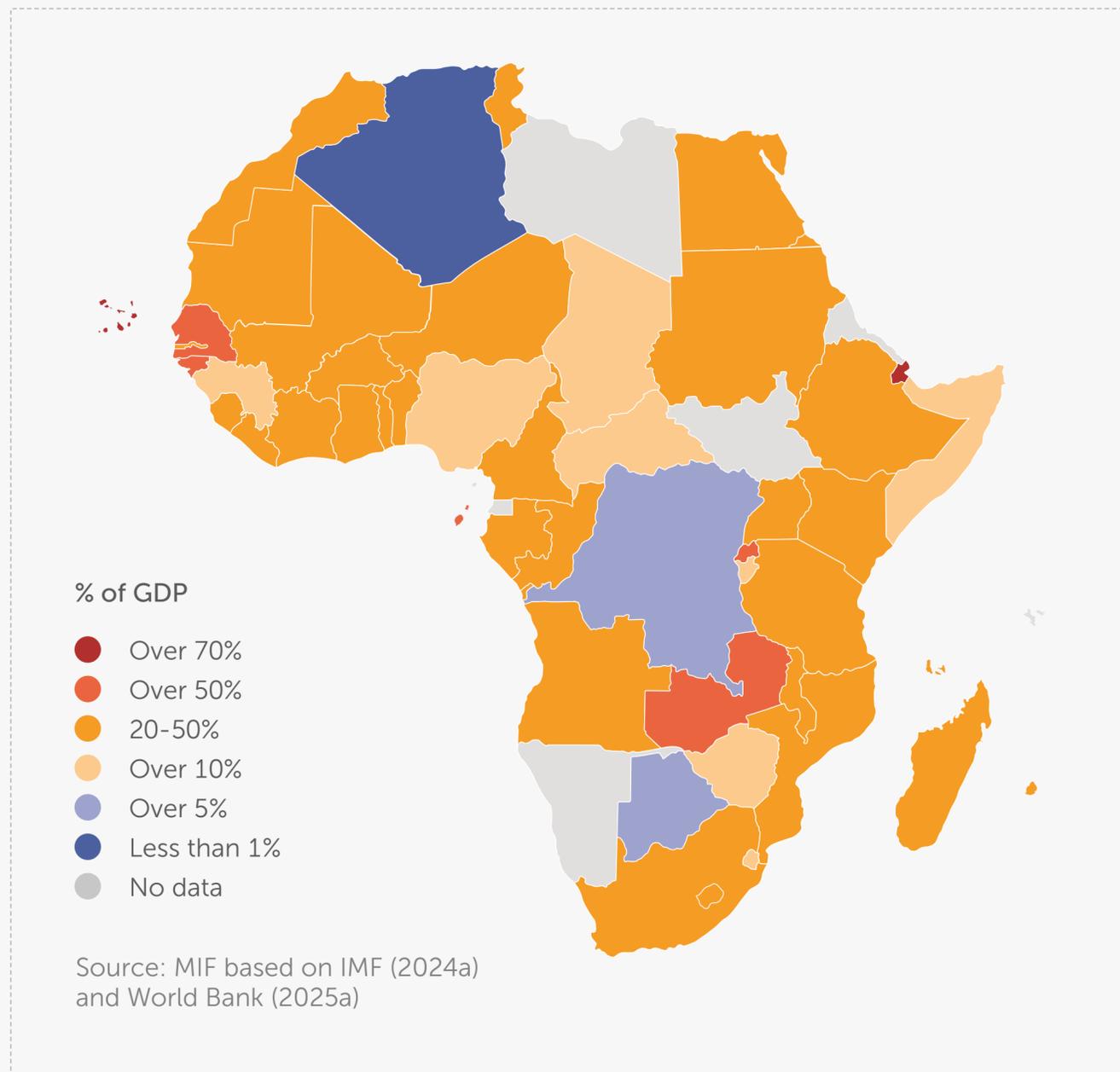
Region	External public debt stock (\$ billion)	GDP (\$ billion)	Debt as % of GDP
Africa	690.0	2878.9	24.0
LACA	942.7	6682.3	14.1
Asia and Pacific	1654.8	38364.3	4.3

Source: MIF based on IMF (2024a) and World Bank (2025a)



For seven countries, debt represents more than 50% of GDP

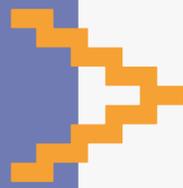
African countries: total external public debt as a share of GDP (2023)



Cabo Verde, Djibouti, Zambia, Senegal, São Tomé and Príncipe, Rwanda and Guinea-Bissau have debt-to-GDP ratios higher than 50%.

Africa's debt is almost twice the continent's annual health expenditure

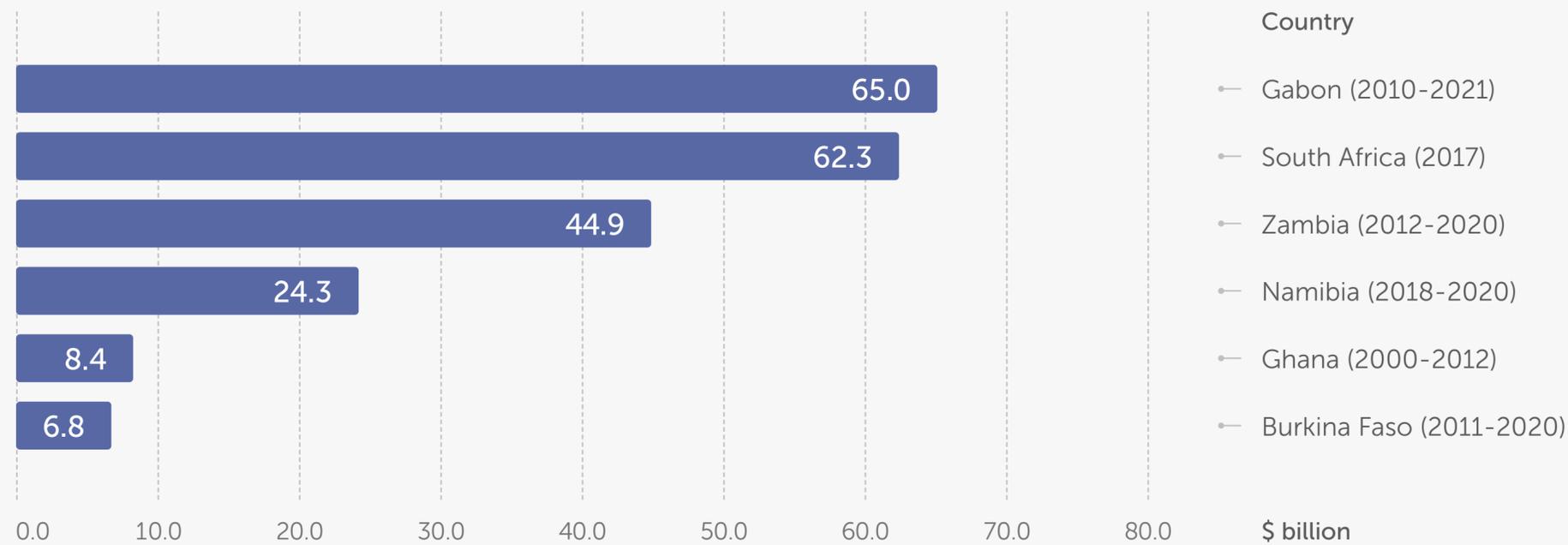
Egypt, Angola and South Africa each pay over \$10 billion a year for debt service



Illicit financial flows are drying up Africa's resources

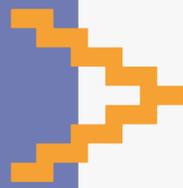
Annual illicit financial flows (IFFs) are estimated at about \$90 billion per year, mostly linked to trade misinvoicing in extractive commodities, half of them gold.

Selected African countries: inward and outward tax & commercial IFFs (2000-2021)



The 2015 Mbeki Report was the first of its kind to assess the scope of IFFs leaving Africa and issue recommendations, many of them still not implemented

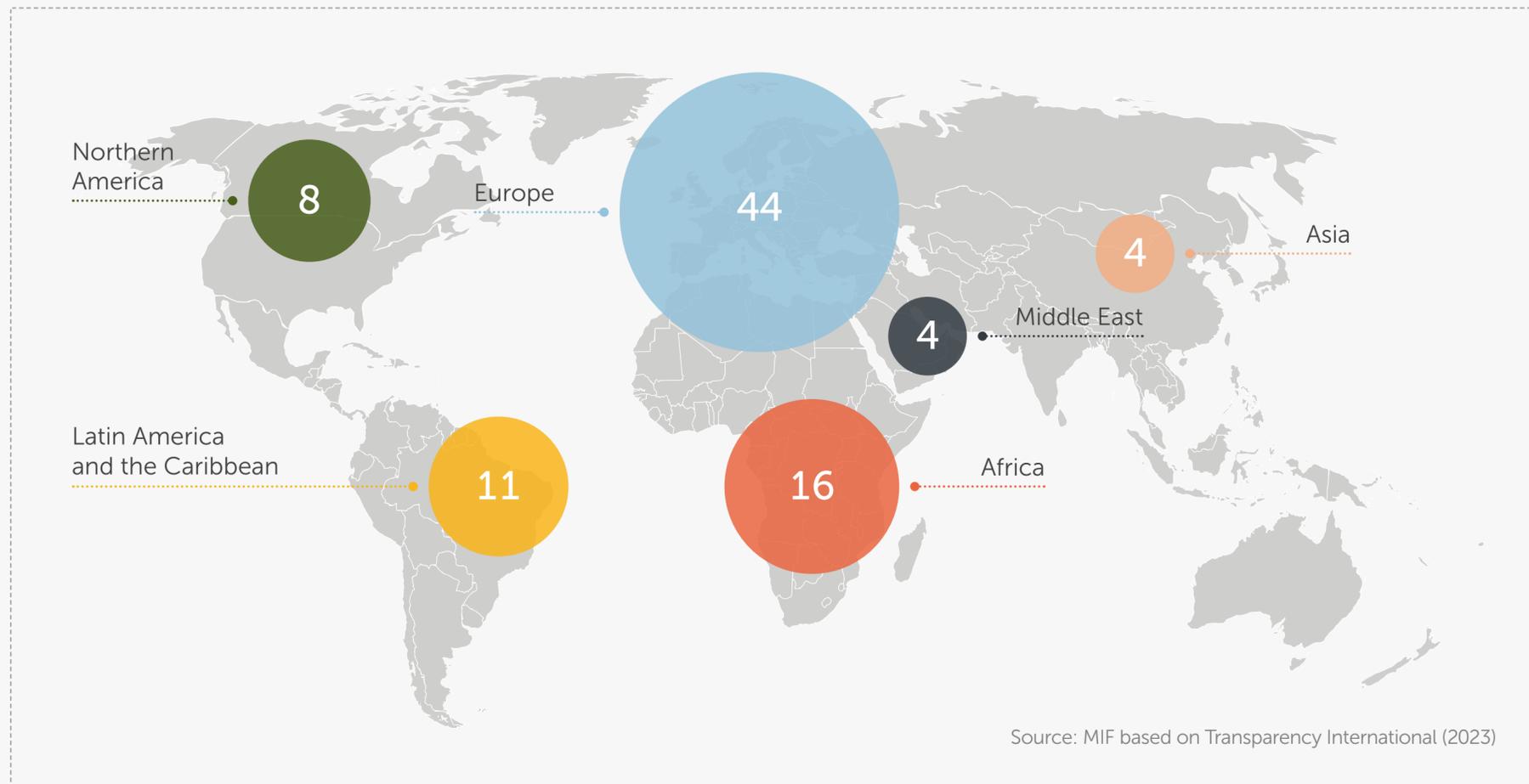
Source: MIF based on UNCTAD & UNODC (2023)



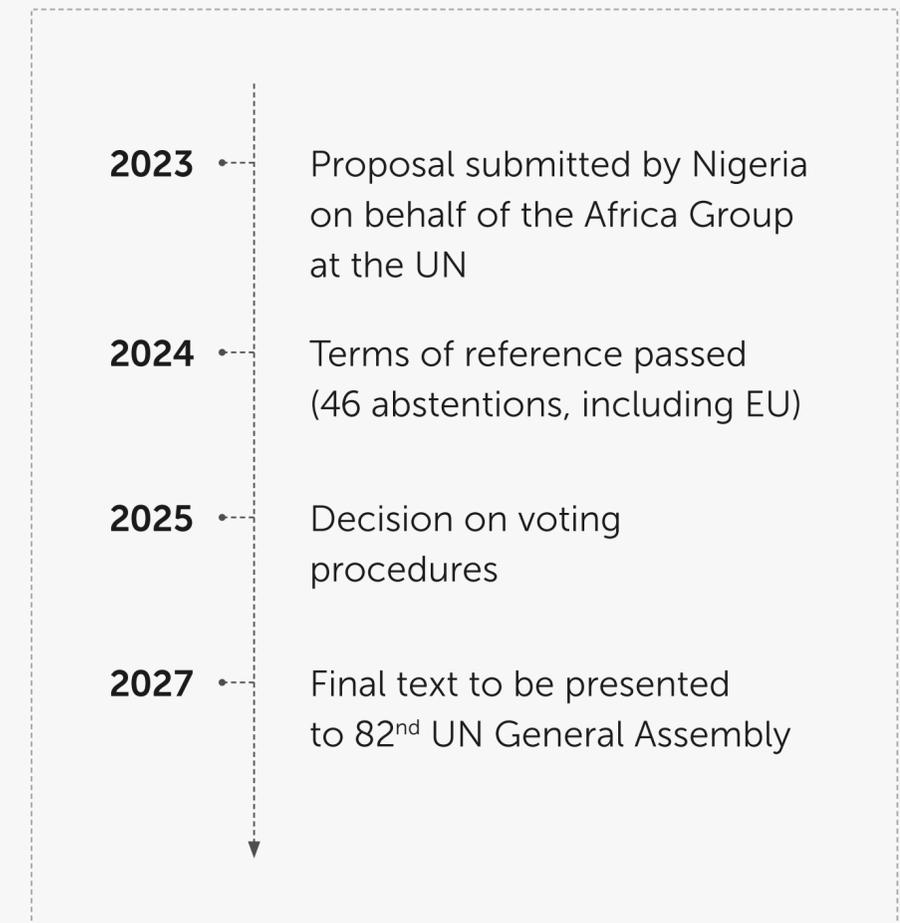
To re-domesticate IFFs from Africa, international cooperation is key

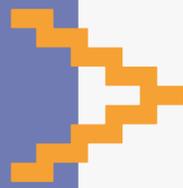
Enablers of IFFs from and to Africa are found in at least 74 jurisdictions globally, with the majority of these located in Europe.

World regions: number & location of enablers of IFFs from Africa (2023)



UN Framework Convention on International Tax Cooperation



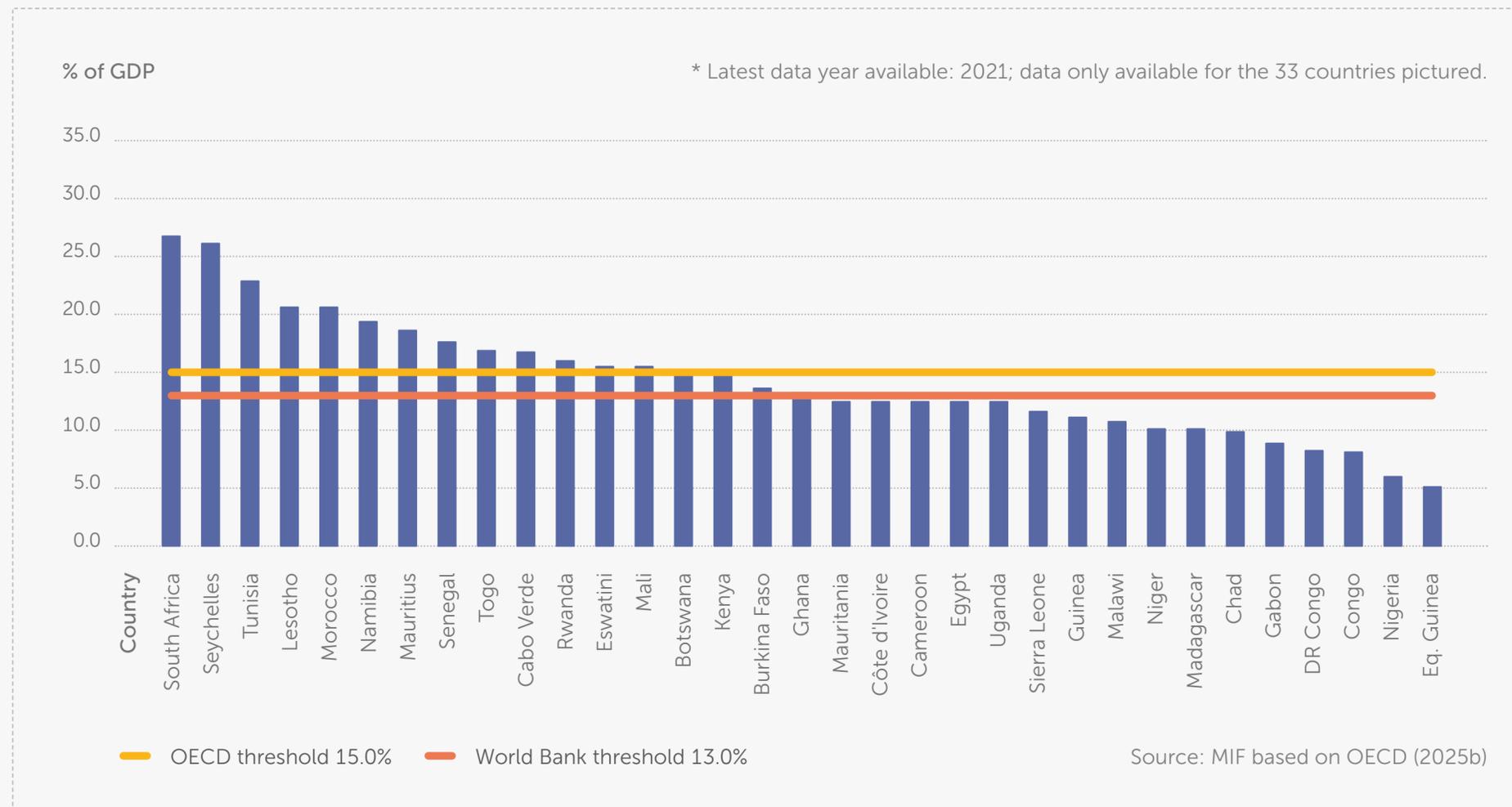


Africa has the lowest tax-to-GDP ratio of all world regions

At 16% of GDP in 2022, Africa's tax-to-GDP ratio stands at half the OECD average of 34%.

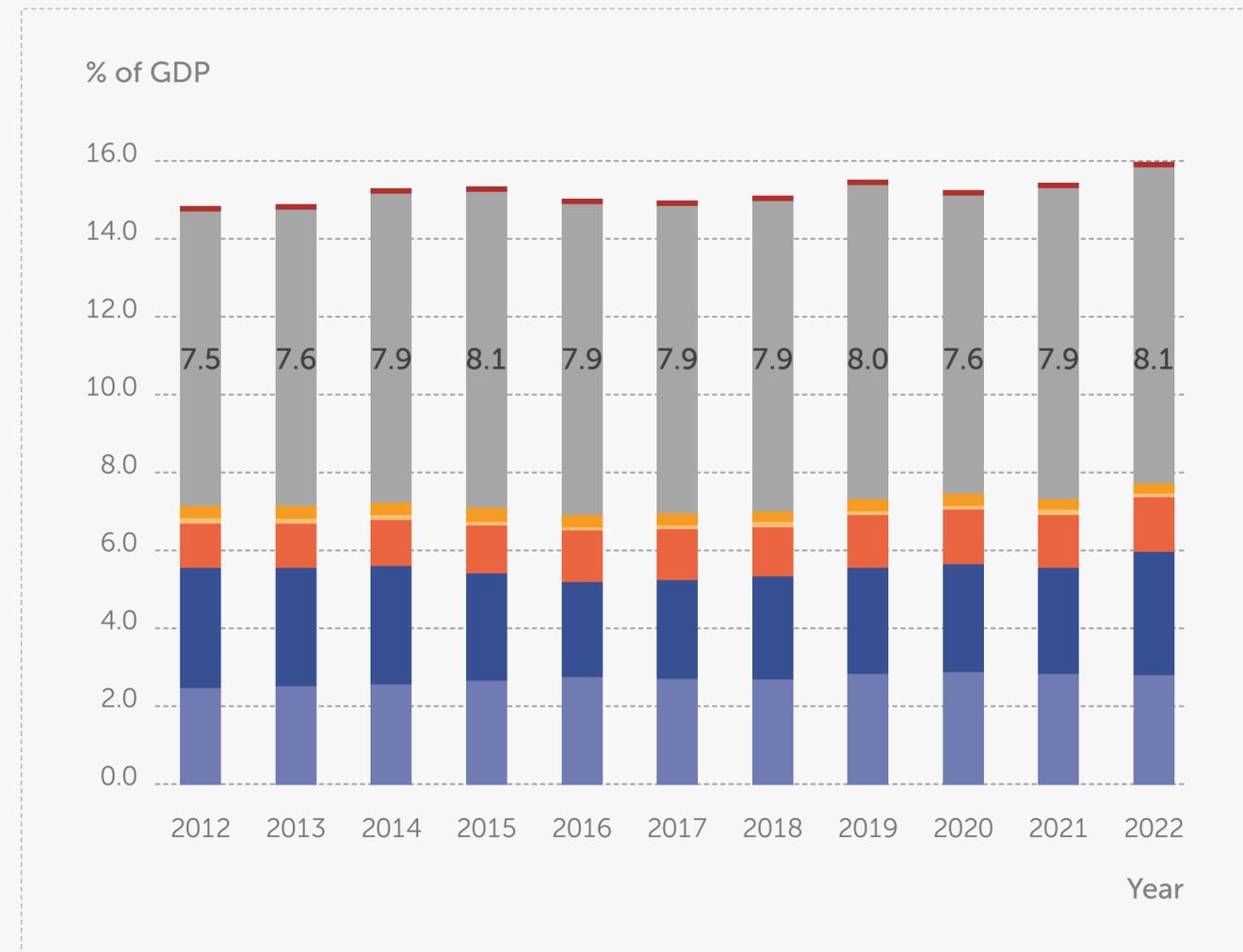
Only 14 African countries reach the tax-to-GDP ratio of 15%, considered the minimum necessary for revenue-generating efficiency and economic development by the OECD.

Selected African countries: tax revenue (excluding social security contributions) as share of GDP (2021)*



Taxes on goods & services (mostly VAT) make up 8% of GDP on average; payroll and property taxes contribute the least to public revenue

Africa: tax composition as a share of GDP (2012-2022)



At an average of 8.1% of GDP, taxes on goods and services are the largest contributor of revenue across Africa in 2022, followed by corporate (3.2%) and personal income tax (2.8%).

Tax category

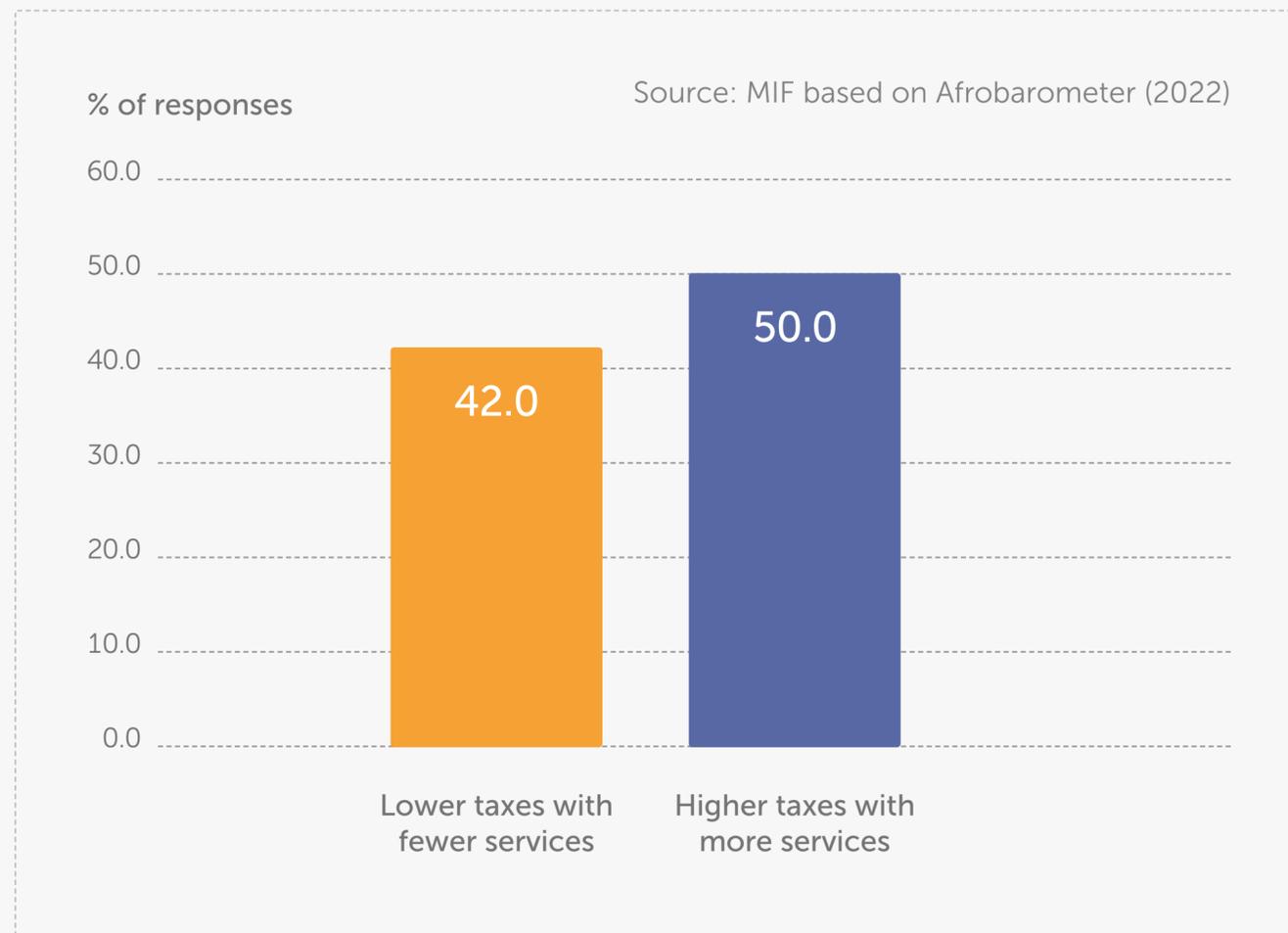
- Taxes on income, profits & capital gains of individuals
- Taxes on income, profits & capital gains of corporations
- Social security contributions (SSC)
- Taxes on payroll & workforce
- Taxes on property
- Taxes on goods & services
- Other taxes

Personal income tax (2.8%) and social security contributions (1.4%) in Africa are trailing far behind the OECD averages of 8.2% and 8.7%

Source: MIF based on OECD (2025d)

Progressive wealth taxes and ending corporate holidays could generate over \$70 billion a year

Africa: citizens' preference for higher taxes in exchange for public services (2019-2021)

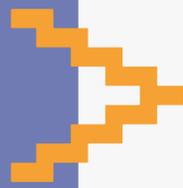


A progressive wealth tax, starting at assets above \$5 million, could yield around \$12 billion annually according to Oxfam.

African governments lose around \$60 billion per year to corporate tax exemptions, deductions and deferrals.

The preference for higher taxes is more prevalent among citizens between the ages of 18 and 35

There are almost no wealth taxes in African countries



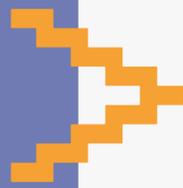
Boosting tax collection through new technologies: best practices across Africa

Ghana: The 'Ghana Card' national ID system, connecting identity information across various government functions, has increased the number of tax filers from 4 million to 6.6 million.

Ethiopia: Automated sales registration machines have led companies to enhance the accuracy of their tax reports.

Guinea-Bissau: The software Kontaktu automates payment information with the treasury, customs and the port of Bissau.

South Africa: Artificial intelligence could play an increasing role in detecting irregularities in transactions or payment balances.



Informality is a crucial obstacle to efficient taxation

Africa has a vast informal sector, i.e. economic activity not regulated by tax, labour or environmental laws and thus not included in countries' GDPs.

Of all world regions, Africa has the **highest rate of informal as share of total employment at 83.1%**.

Country	Informal employment as % of total employment (2023)
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Burkina Faso	95.2
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Nigeria	93.0
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Zimbabwe	88.1
----------	------

Rwanda	86.8
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Gambia	84.1
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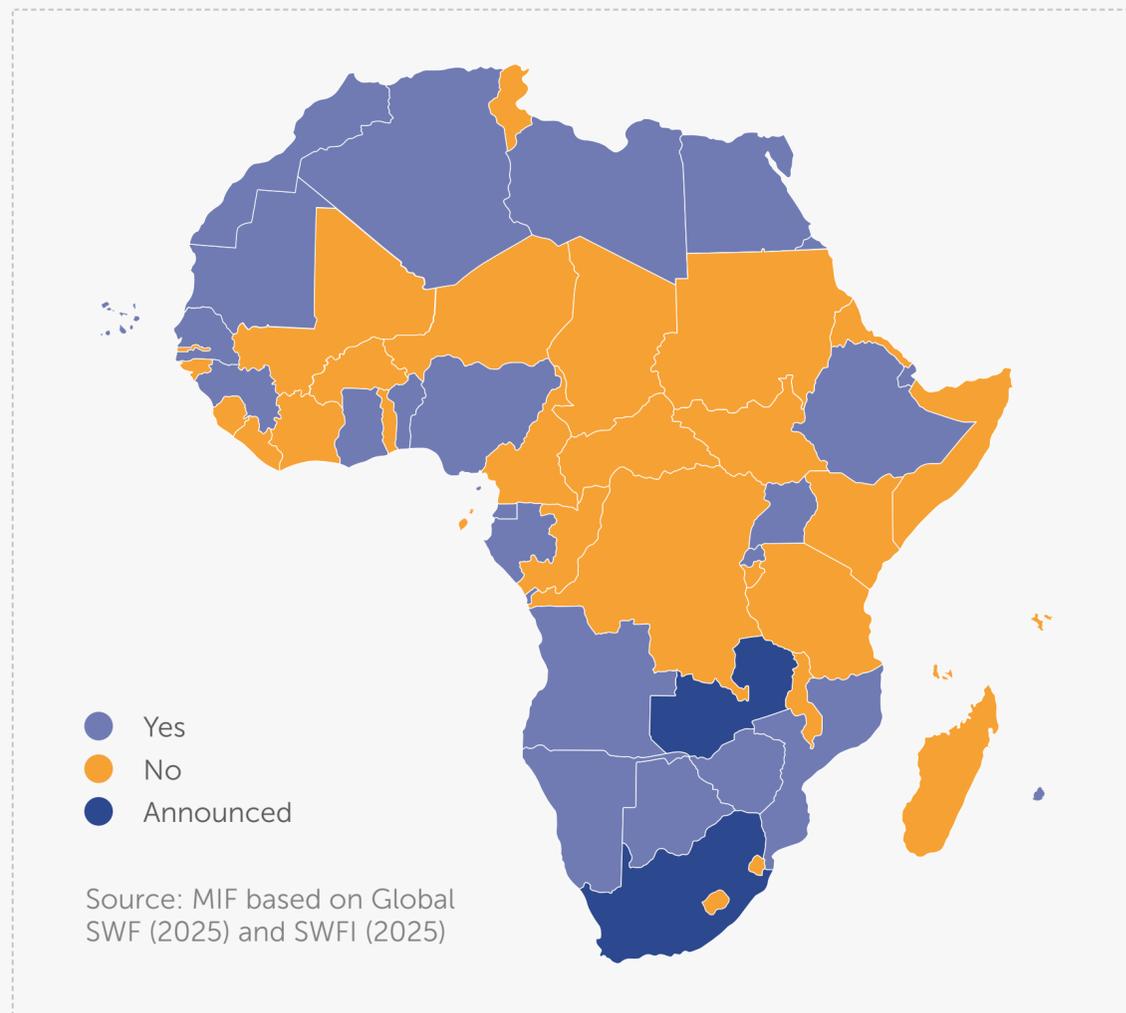
Zambia	83.8
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Source: MIF based on ILO (2025)

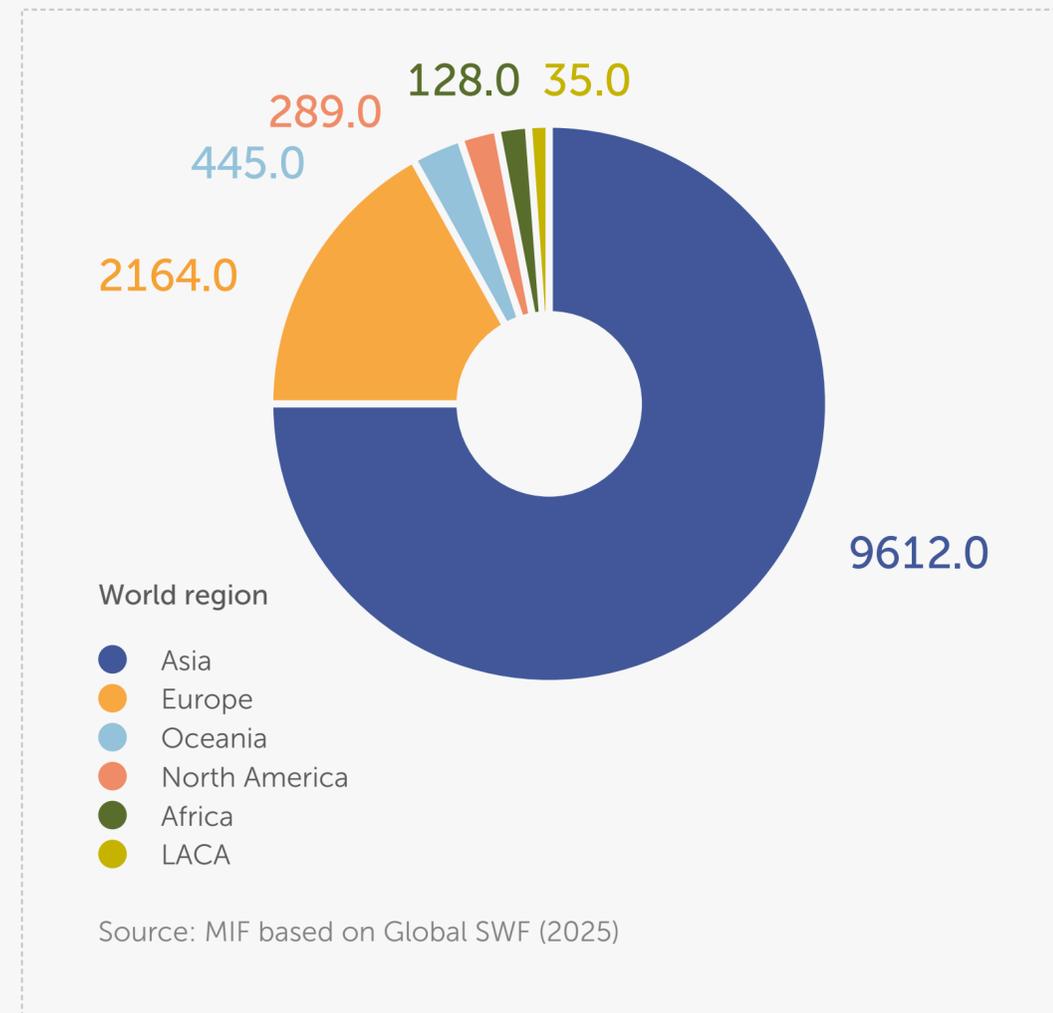
African sovereign wealth funds: around \$130 billion

23 African countries have established one or more SWFs, with only three of them valued at more than \$5 billion, led by Libya, Ethiopia and Algeria. Since 2016, only about one third of sovereign capital was invested in the infrastructure and energy sectors in Africa.

Africa: active sovereign wealth funds (2025)



World regions: AuM in SWFs, (\$ billion) (2025)

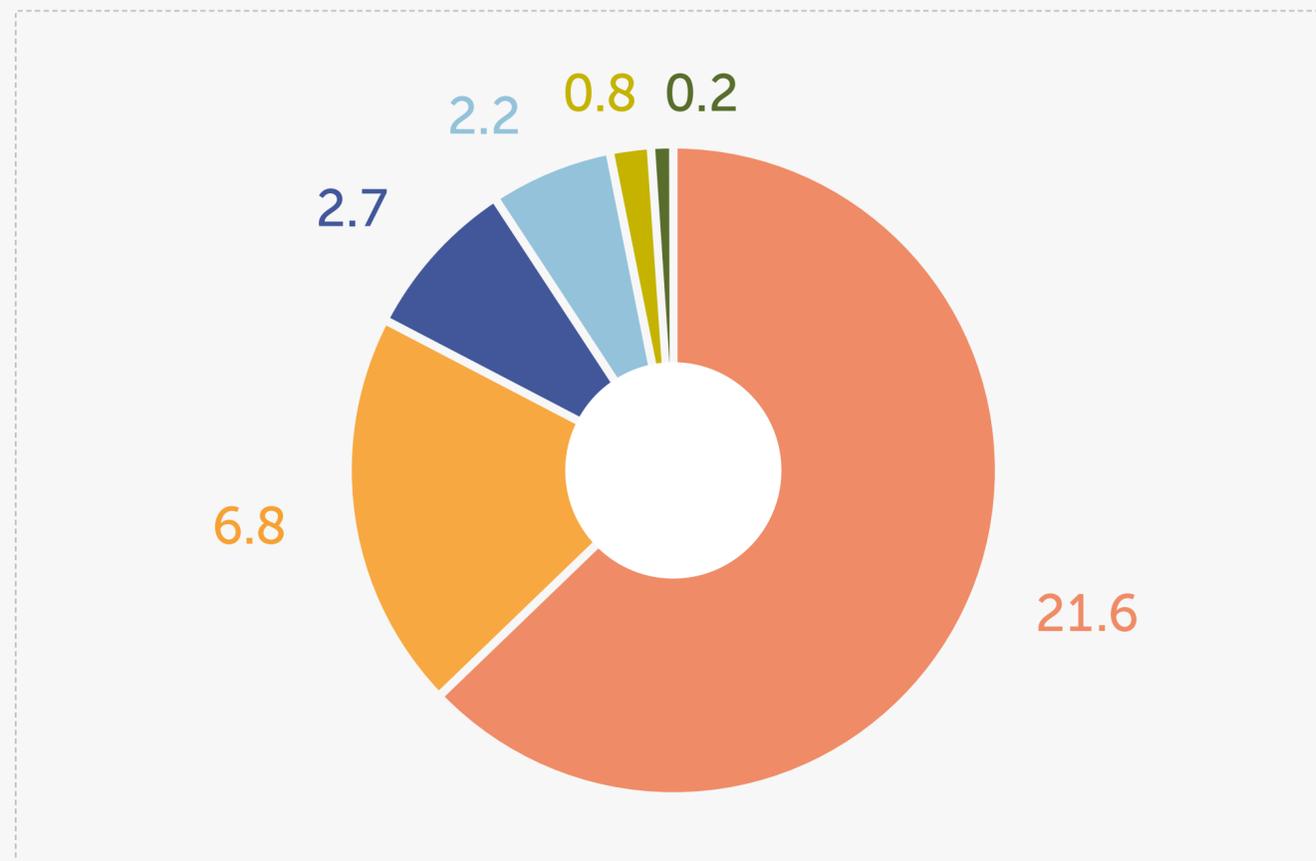


African SWF assets are equivalent to Africa's infrastructure gap, estimated at around \$130-\$170 billion by the AfDB

Senegal's FONSIIS and Angola's Fundo Soberano successfully invested in Senergy 2 and the Lobito Corridor

At around \$220 billion, pension funds are the continent's largest source of investable capital

World regions: total investments by pension funds (\$ trillion) (2022)*



Most African countries have pension funds, but comprehensive data about their assets under management (AuM) is lacking.

At \$119.4 billion AuM, South Africa has the biggest pension fund, almost 4 times larger than the second biggest, Nigeria

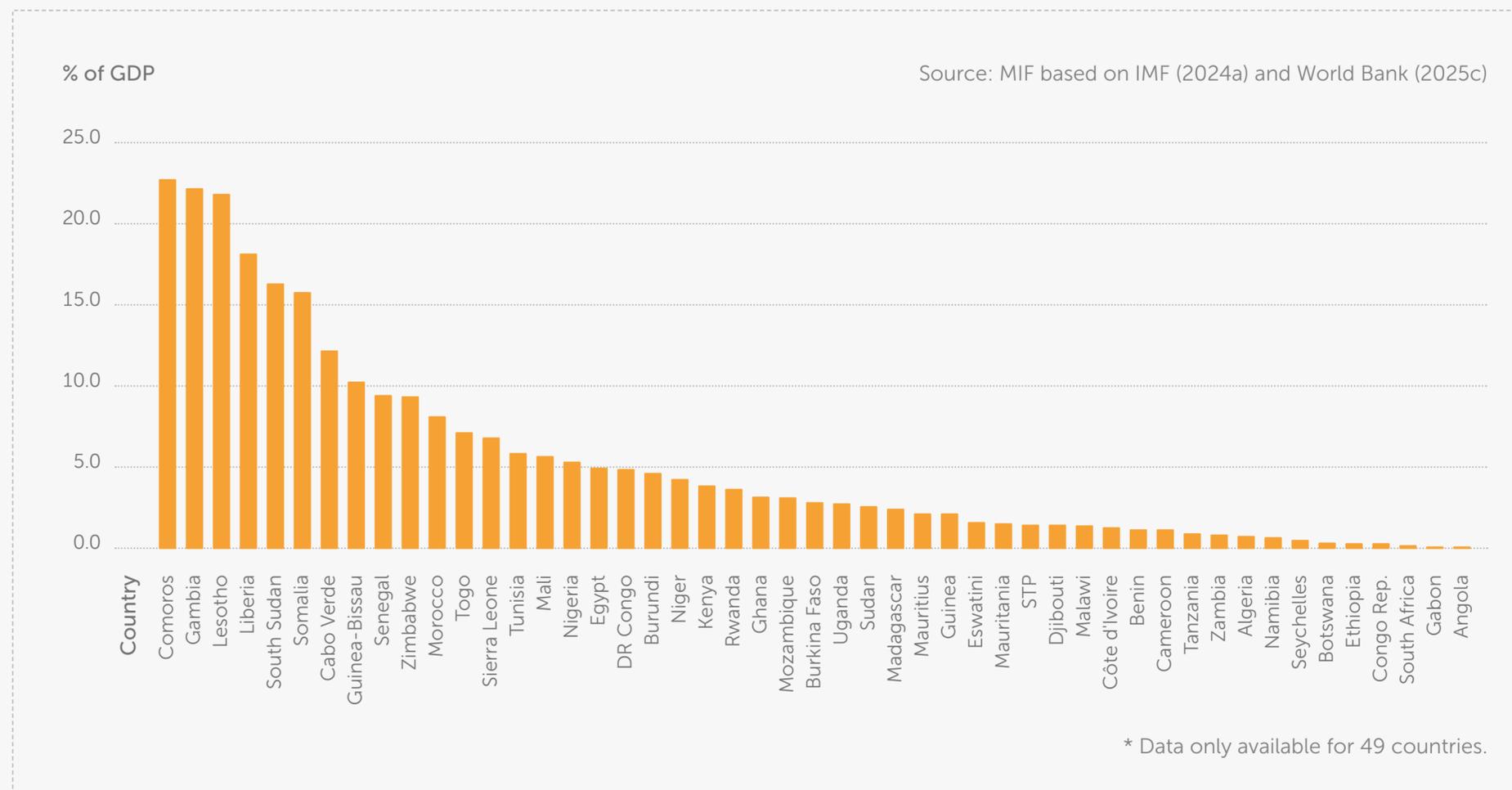
- World region
- North America
 - Europe
 - Asia
 - Oceania
 - LACA
 - Africa

Source: MIF based on OECD (2025f)

* Only 2022 data was used for regional comparability, bringing the total of African pension fund assets to \$205.9 billion over 13 countries. Four additional countries have data available for 2017-2021, raising the total of African pension fund assets to \$217.3 billion over 17 countries.

African remittances: \$90 billion each year, over 10% of GDP for many countries

African countries: remittances as a share of GDP (2023)*



Nigeria, Egypt and Morocco together account for 56% of African remittances.

For Cabo Verde, Comoros, Gambia, Guinea-Bissau, Lesotho, Liberia, Somalia and South Sudan, remittances represent over 10% of their GDP.

At 7.4%, the average cost to send remittances to Africa is more than twice the SDG goal (10.c) of 3%

Chapter 02.

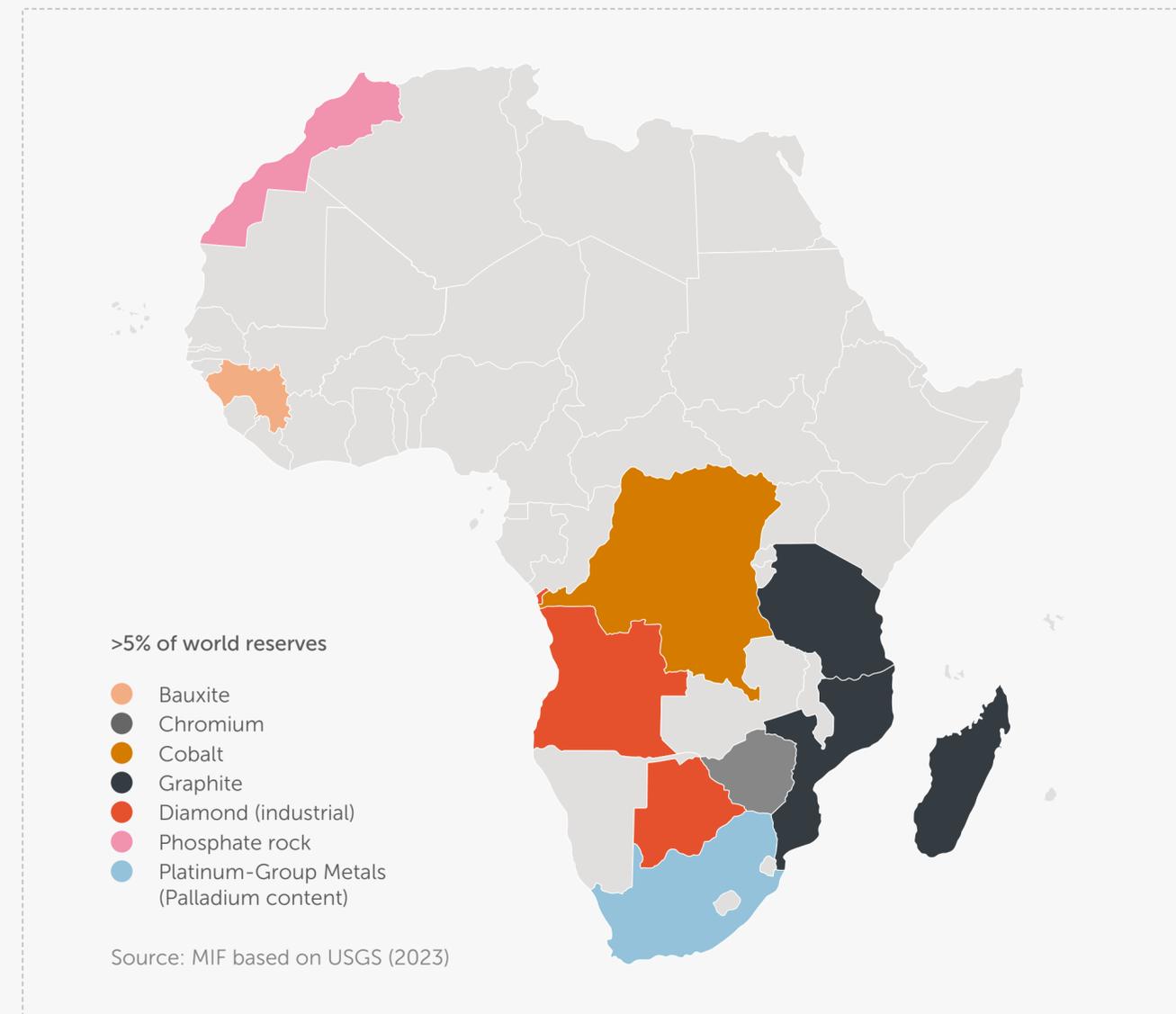
Monetising Africa's assets

Africa owns some of the largest mineral reserves in the world

Twelve African countries are home to between 5% and 78% of global critical mineral reserves.

- 78% of palladium global reserves in South Africa
- 68% of phosphate global reserves in Morocco
- 55% of cobalt global reserves in DR Congo
- 45% of chromium global reserves in Zimbabwe

Selected African countries: selected mineral reserves (2023)



Mineral production: some African countries dominate up to 70% of global shares

Selected African countries: mine production (% of world total) (2023)

DR Congo

Cobalt: 73.5%
 Tantalum: 45.1%
 Diamond (industrial): 17.1%
 Copper: 13.0%

Zimbabwe

Platinum-Group Metals (Platinum content): 10.7%
 Diamond (industrial): 9.8%
 Platinum-Group Metals (Palladium content): 7.6%
 Lithium: 7.3%

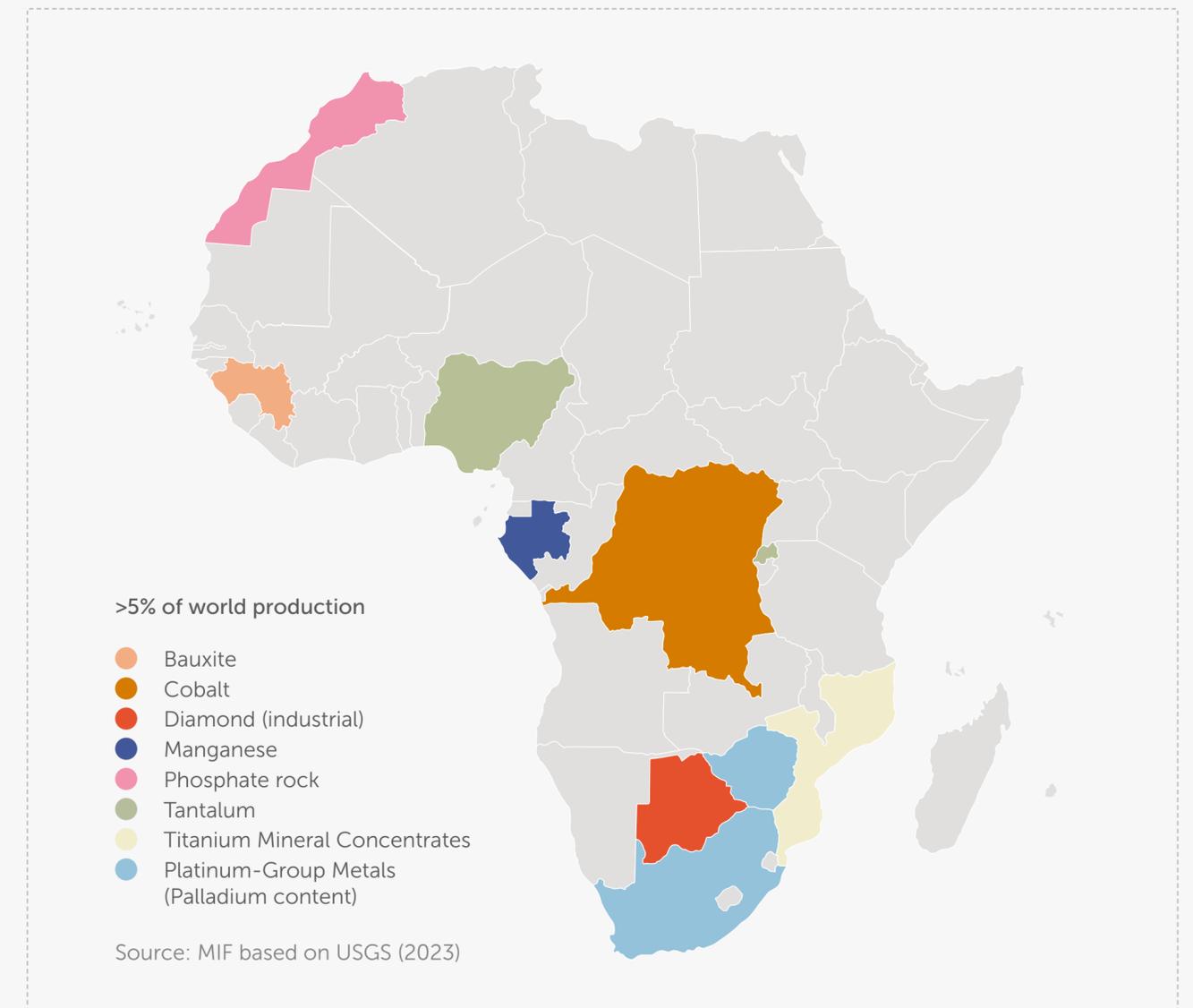
South Africa

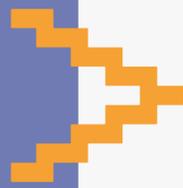
Platinum-Group Metals (Platinum content): 69.8%
 Chromium: 43.6%
 Manganese: 37.2%
 Platinum-Group Metals (Palladium content): 36.0%
 Titanium Mineral Concentrates: 14.4%
 Diamond (industrial): 9.8%

Mozambique

Titanium Mineral Concentrates: 19.8%
 Graphite: 6.4%

Selected African countries: selected mineral production (2023)





Africa's mineral exports remain largely as raw or semi-processed commodities, sold at much lower prices

Uranium: Together, Namibia and Niger make up most global raw uranium exports (88.0%).

Manganese: Gabon dominates raw manganese exports at 46.7% of global trade, followed closely by South Africa at 42.1%.

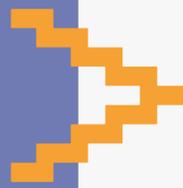
Phosphates: Morocco, Egypt and Togo all feature amongst the top five exporters of raw phosphates.



A raw ton of bauxite is worth \$65 but \$2,335 when processed into aluminium (2023 prices). Guinea currently supplies 28.1% of the world's bauxite



The continent's share of global manufacturing declined from about 3% in the 1970s to less than 2% in 2020



Renewable energy sources



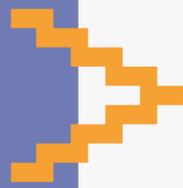
Solar: 60% of the world's solar power potential.



Wind power: only 0.01% is tapped mainly in South Africa, Egypt, Senegal and Morocco.



Geothermal energy: Geothermal potential in Eastern Africa is estimated at over 20 GW.
1/5 (115 TW) of enhanced geothermal systems power potential is in Africa, compared to only 5% in Europe (40 TW).



Biodiversity assets

Africa is home to:



1/4 of the world's mammal species

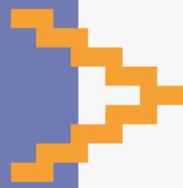


1/5 of the world's bird species



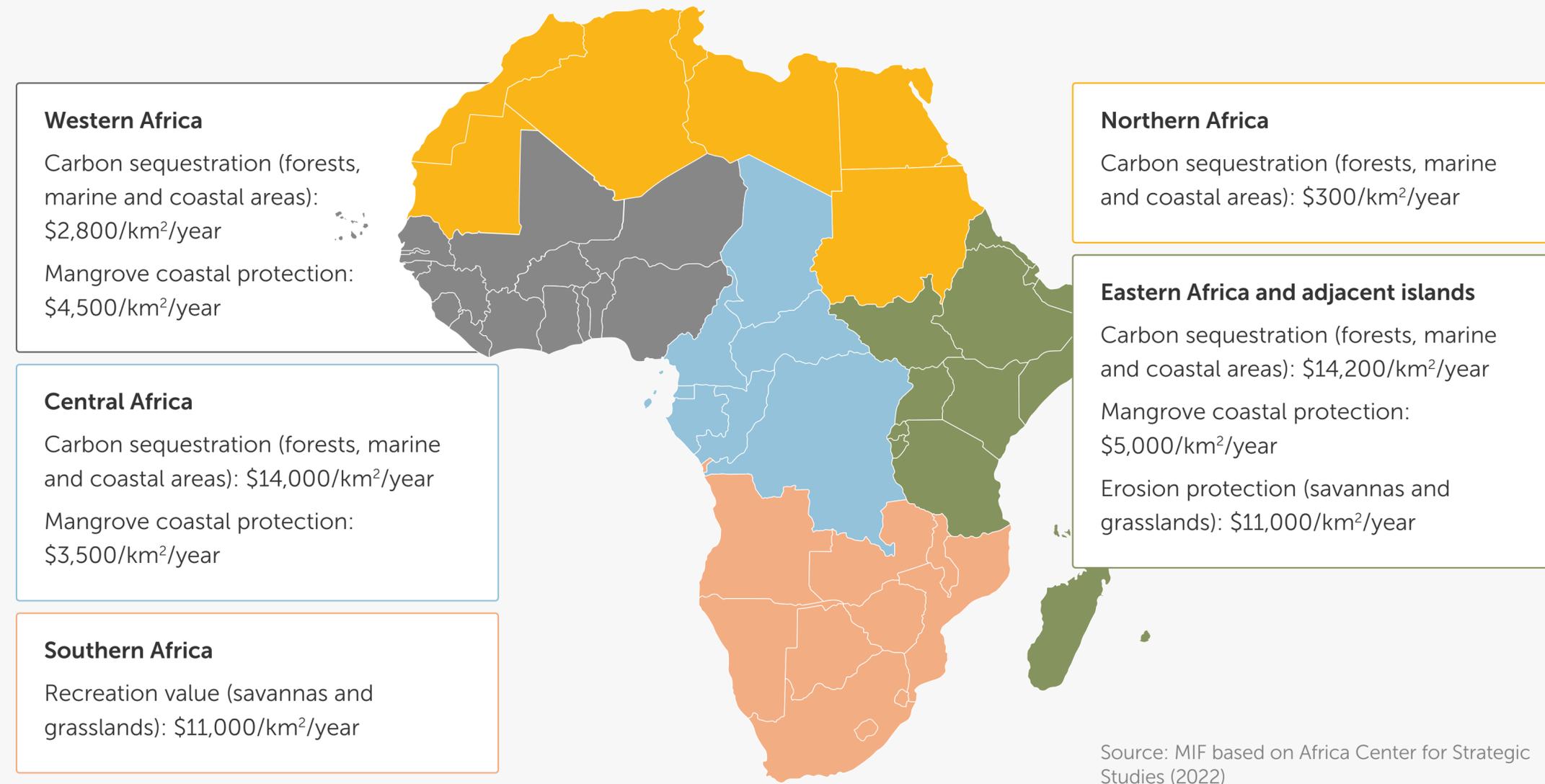
1/6 of the world's plant species

Biodiversity credit potential: global biodiversity credits are currently estimated at \$8 million, but demand could reach \$69 billion by 2050.



Carbon-sinking potential

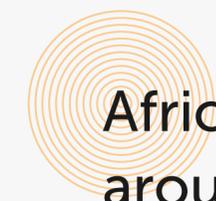
African regions: biodiversity value and carbon sequestration (2022)



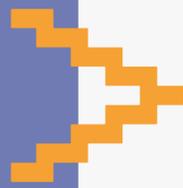
Source: MIF based on Africa Center for Strategic Studies (2022)

Earth's most important natural carbon repositories are Africa's forests, peatlands and mangroves.

Forests in Africa alone absorb a net 600 million tonnes of carbon dioxide each year, greater than any other forest ecosystem in the world.

 Africa is home to around 1/6 of the world's remaining forests and 1/5 of the world's mangroves

Carbon credits: Africa only uses 2% of its annual potential for carbon credits. The continent could aim to sell over \$100 billion worth of credits a year 2050.



Africa's blue economy: an asset potentially worth \$1 trillion

The continent's blue economy currently generates around \$300 billion in economic activities, supporting 50 million jobs.

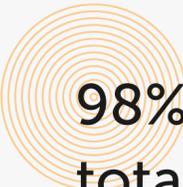
- Africa's fishing and aquaculture sectors are currently valued at \$24 billion annually.
- Shipping hub: the AfCFTA is expected to boost intra-African trade by 33% with maritime transport playing a key role.
- Countries expected to experience surges in traffic to their ports by 2030: Comoros, Gabon, Gambia, Ghana, Madagascar, Mauritius, Mozambique, Namibia and Somalia.



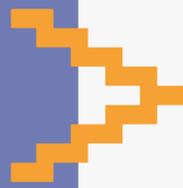
Africa's blue economy could contribute up to over \$1 trillion



Illegal, Unreported and Unregulated (IUU) fishing cost the region \$1.3 billion annually in lost revenue



98% of the Africa's total coastline remains untapped for the fishing industry



Africa's agriculture: the key to global food security?

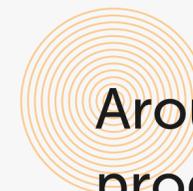


65% of global arable land is yet to be cultivated in Africa.

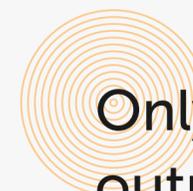


Africa still spends \$78 billion annually on food imports, almost equivalent to food exports (\$81.4 billion).

South Africa, Cote d'Ivoire, Egypt and Morocco are the only African countries to receive more than \$5 billion annually for their food exports.



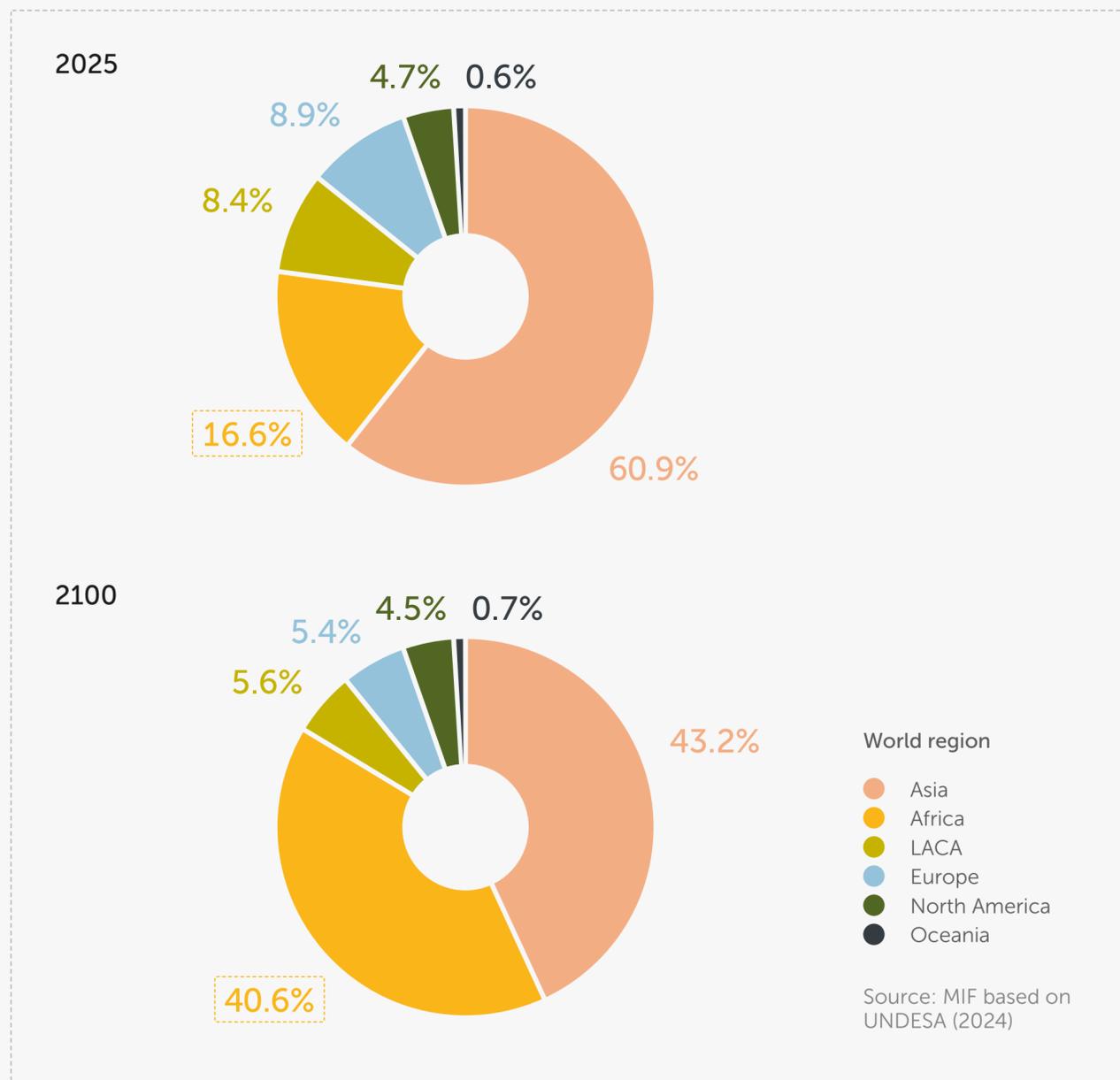
Around 50% of the food produced in Africa is wasted along the supply chain



Only 3% of agricultural output is refrigerated at the first mile in Sub-Saharan Africa

Africa's growing working age population: entrepreneurship, economic output, and tax revenue growth

World regions: share of global working age population
(2025 & 2100)



Currently, almost 900 million people in Africa are of working age (15-64) making up 16.6% of the world's working age population.

By 2100, Africa will have 2.4 billion people of working age, closing the gap with Asia (2.6 billion).

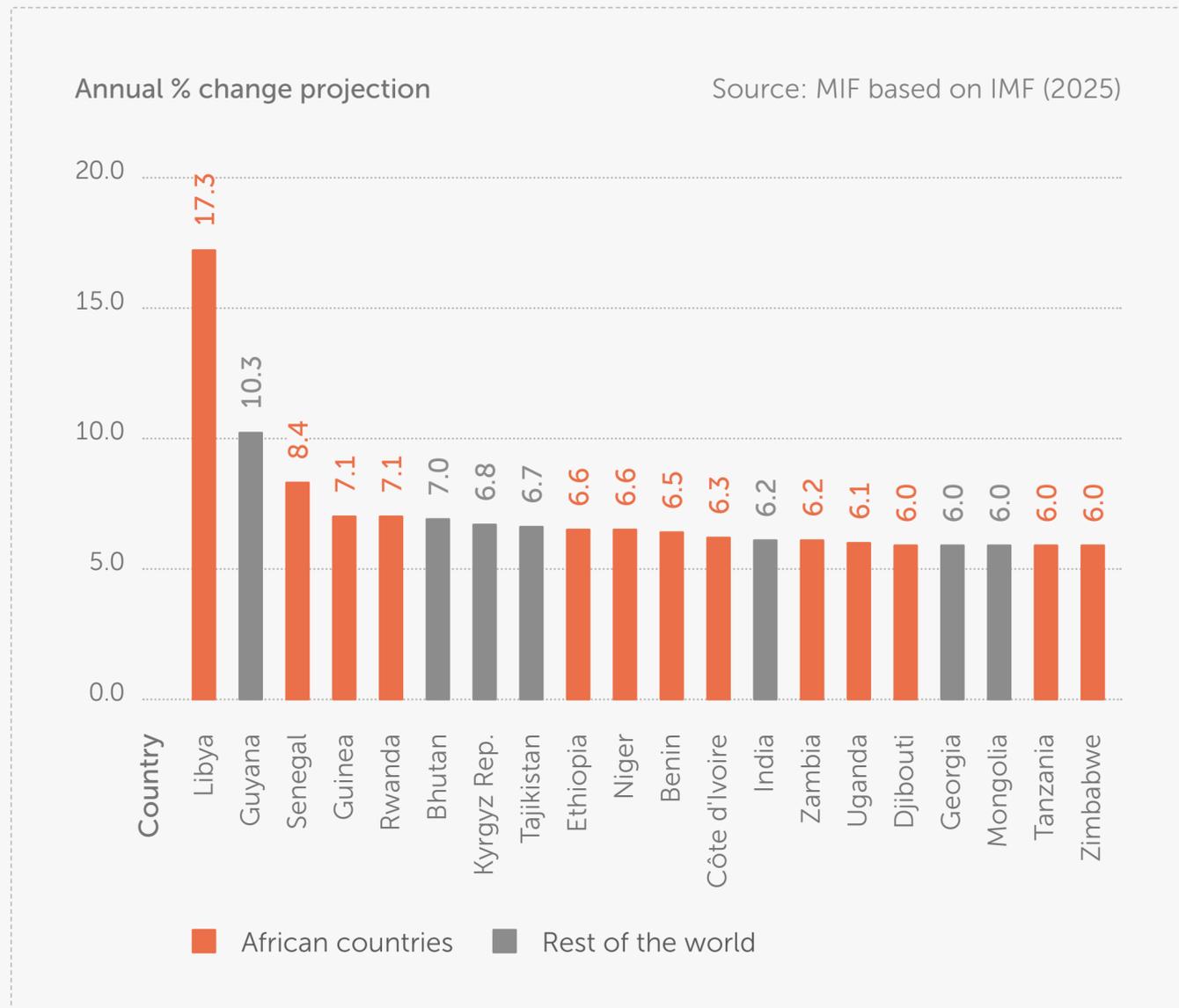
Between now and 2100, the continent will have to generate 20 million jobs annually to keep pace with the growing workforce

Chapter 03.

Attracting investment in Africa

Africa's investment attractiveness is driven by three key pull factors

Top 20 countries: real GDP growth (2025)



Factor 1: Rapid growth across various countries and sectors, with 13 out of top 20 countries by GDP growth being African

Factor 2: A growing consumer class - by 2030, 250 million Africans could join the consumer class, unlocking \$3 trillion in spending

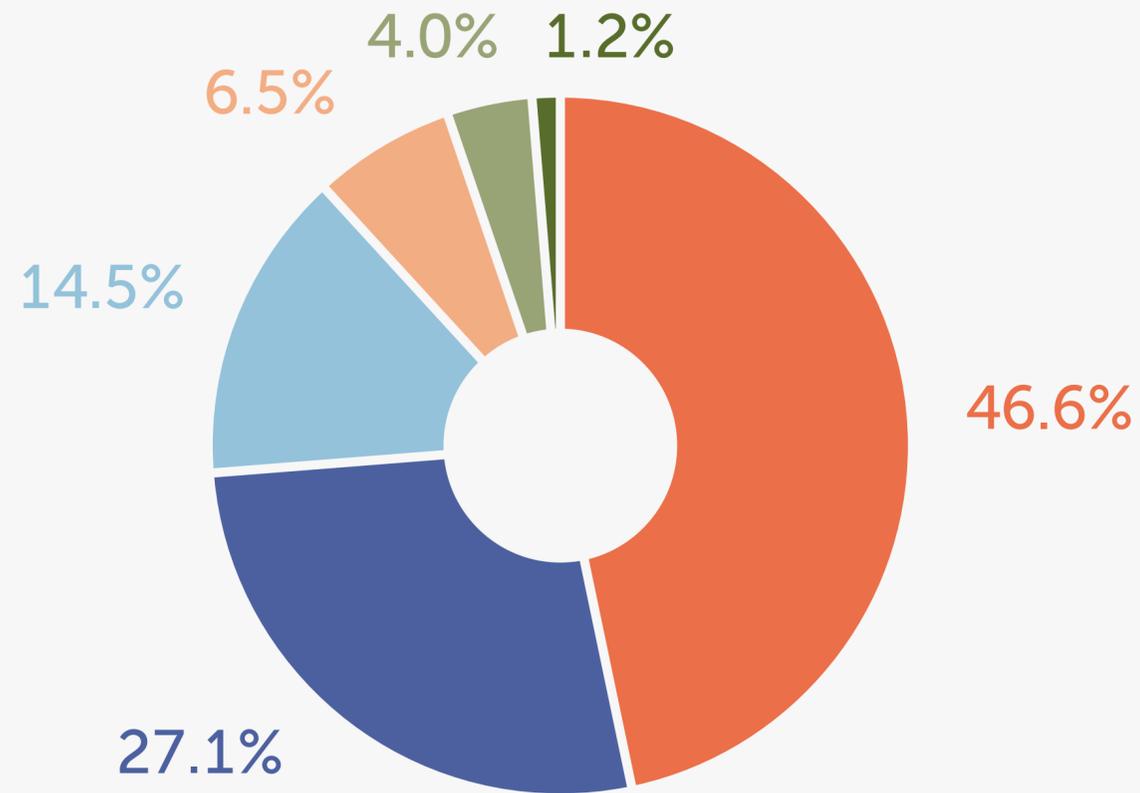
Factor 3: A burgeoning private sector, driven by young entrepreneurs

Almost half of Africa's people live in countries where GDP growth between 2010 and 2019 exceeded the continent's average growth rate of 4.2% since 2000

13 of the 20 fastest growing economies in the world are located in Africa, led by Libya (17.3%), Senegal (8.4%), Guinea and Rwanda (7.1% each)

The paradox of investment in Africa: highest returns, lowest investment globally

World regions: share of FDI inflows (2023)



World region

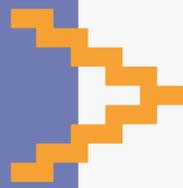
- Asia
- North America
- LACA
- Not assigned
- Africa
- Europe

Source: MIF based on UNCTAD (2023)

Africa's return on FDI between 2006 to 2011 reached 11.4%, significantly higher than the global average of 7.1%.

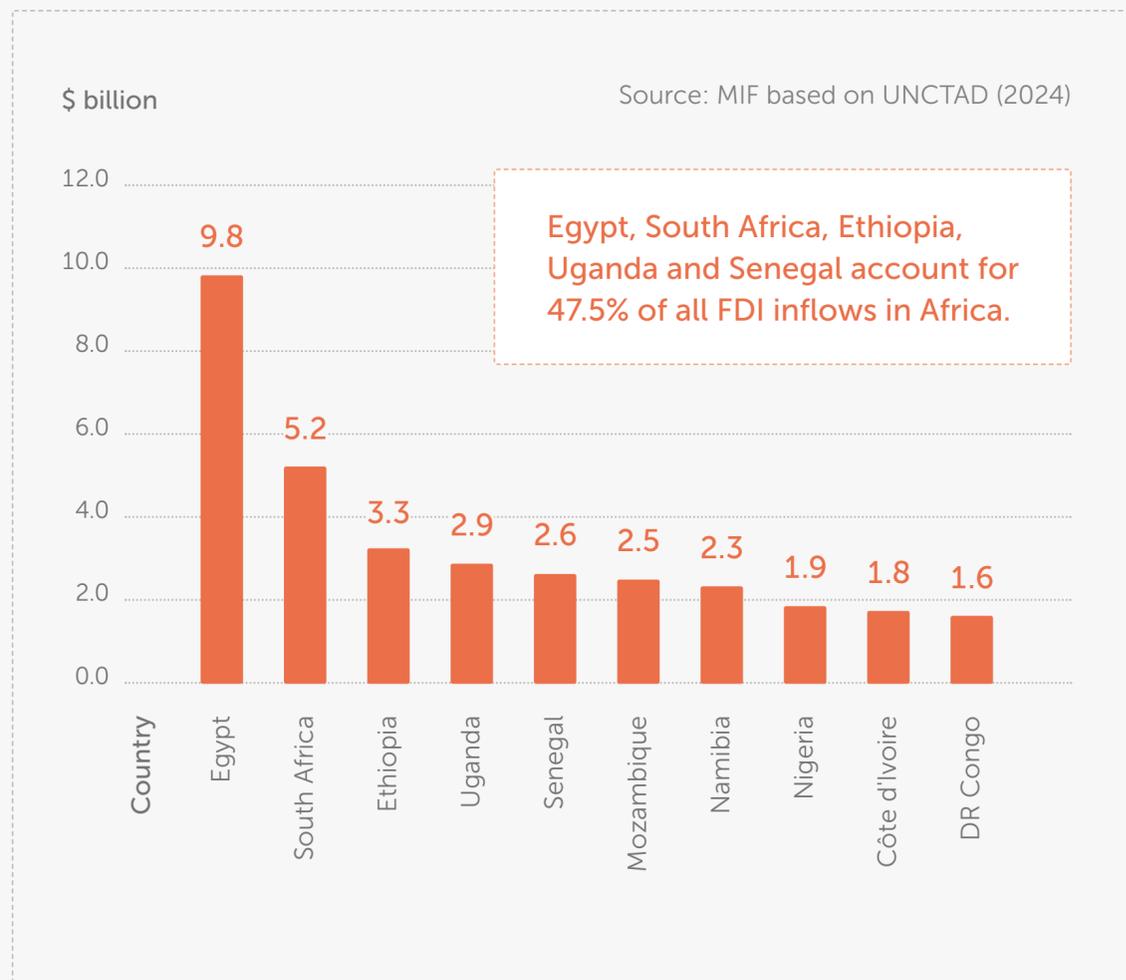
Europe remains Africa's largest source of FDI inflows. However, since 2021, Gulf countries have increased their investments significantly

Intra-African FDI accounts for only 14% of FDI in Africa

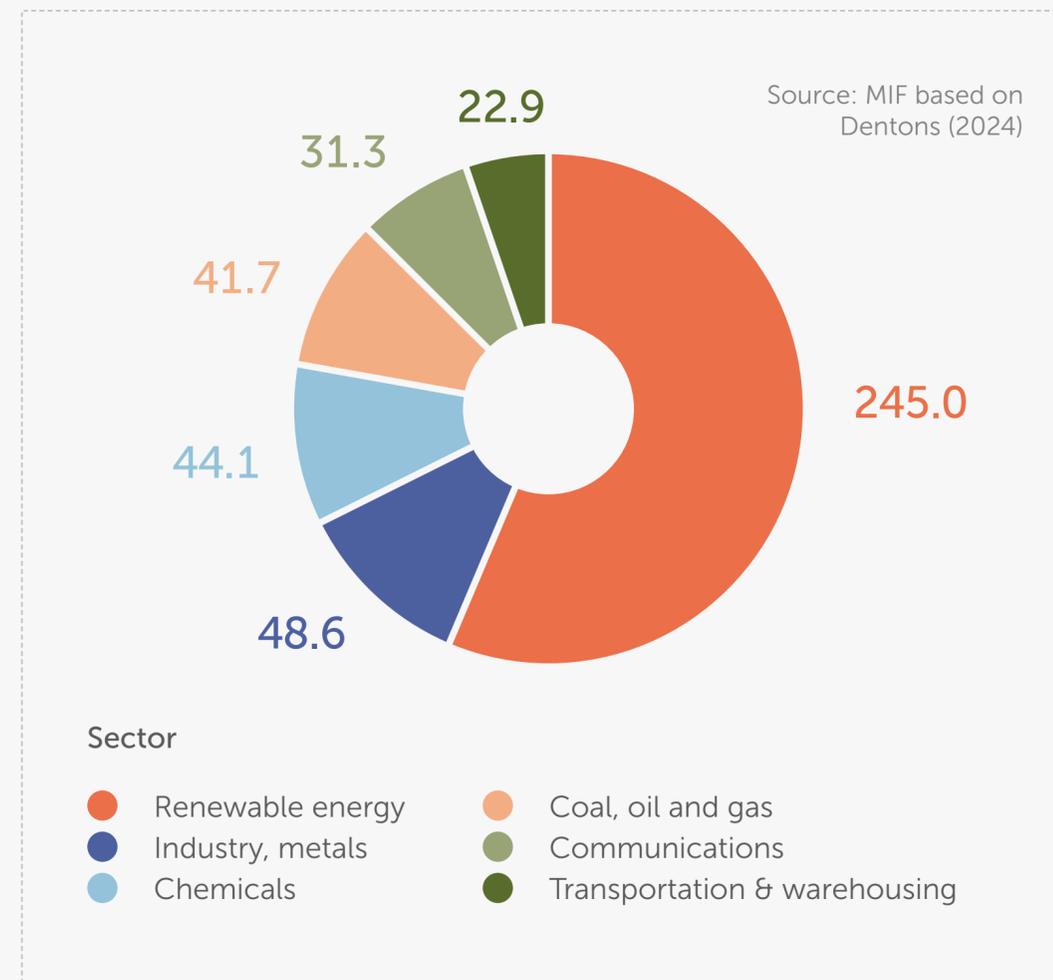


FDI in Africa remains concentrated in a few countries and in a few sectors

Selected African countries: top 10 recipients of FDI inflows (2023)

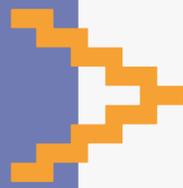


Selected sectors: pledges in greenfield FDI (\$ billion) (2019-2024)



Half of all the FDI invested in Africa in 2023 went to renewable energy, with an overall value of \$83 billion, followed by industry and metals

Renewable energy boasts a return on investment above 15%



Assessing African risk: is there an African “premium”?

As of 2025, of the 36 African countries rated by one or more of the “Big 3” CRAs, only two are deemed “investment grade” – Botswana and Mauritius.



On average, between 2012 and 2023, developing countries paid around 200 basis points more for their internationally sourced capital than developed countries



From 2011 to 2024, at least 29 statements across 12 African countries argued against CRA decisions

Prioritising good governance and sound data is key

Institutional governance is an essential component in credit rating agencies’ methodological processes.

Improving data capabilities is essential to improving both governance and ratings. Credit ratings may assume less importance in the presence of other transparent, trusted data sources. More robust data also means there is less scope for subjective assessments.

Assessing African risk: on the continent, only 36 countries have been rated by at least one of the 'Big 3'

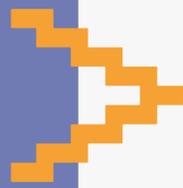
Selected African countries: overview of credit ratings from the 'Big 3'

Country	Moody's	S&P Global	Fitch Ratings
Botswana	A3 (negative)	BBB+	N/A
Burkina Faso	N/A	CCC+	N/A
Cameroon	Caa1 (stable)	CCC+	B
Côte d'Ivoire	Ba2 (stable)	B-	BB-
DR Congo	B3 (stable)	B-	N/A
Egypt	Caa1 (positive)	B-	B
Ethiopia	Caa3 (stable)	SD	CCC-
Ghana	Caa2 (positive)	SD	RD
Kenya	Caa1 (positive)	B	B
Libya	N/A	N/A	B
Mali	Caa2 (stable)	B	B-
Mauritius	Baa3 (negative)	BBB-	N/A
Morocco	Ba1 (stable)	BB+	BB+
Mozambique	Caa2 (stable)	CCC+	CCC+
Namibia	B1 (positive)	N/A	BB-
Niger	Caa3 (stable)	N/A	N/A
Nigeria	Caa1 (positive)	B-	B-
Rwanda	B2 (negative)	B+	B+
Senegal	B3 (negative)	B+	N/A
Seychelles	N/A	SD	BB-
South Africa	Ba2 (stable)	BB-	BB-
Tunisia	Caa1 (stable)	B	CCC+
Uganda	B3 (stable)	B-	B+
Tanzania	B1 (stable)	N/A	N/A
Zambia	Caa2 (positive)	SD	RD

Key

- Investment Grade
- Not Rated
- In Default
- RD Restrictive Default
- SD Selective Default

Source: MIF based on Moody's (2025), S&P Global (2025) and Country Economy (2025)⁵⁴

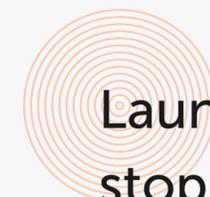
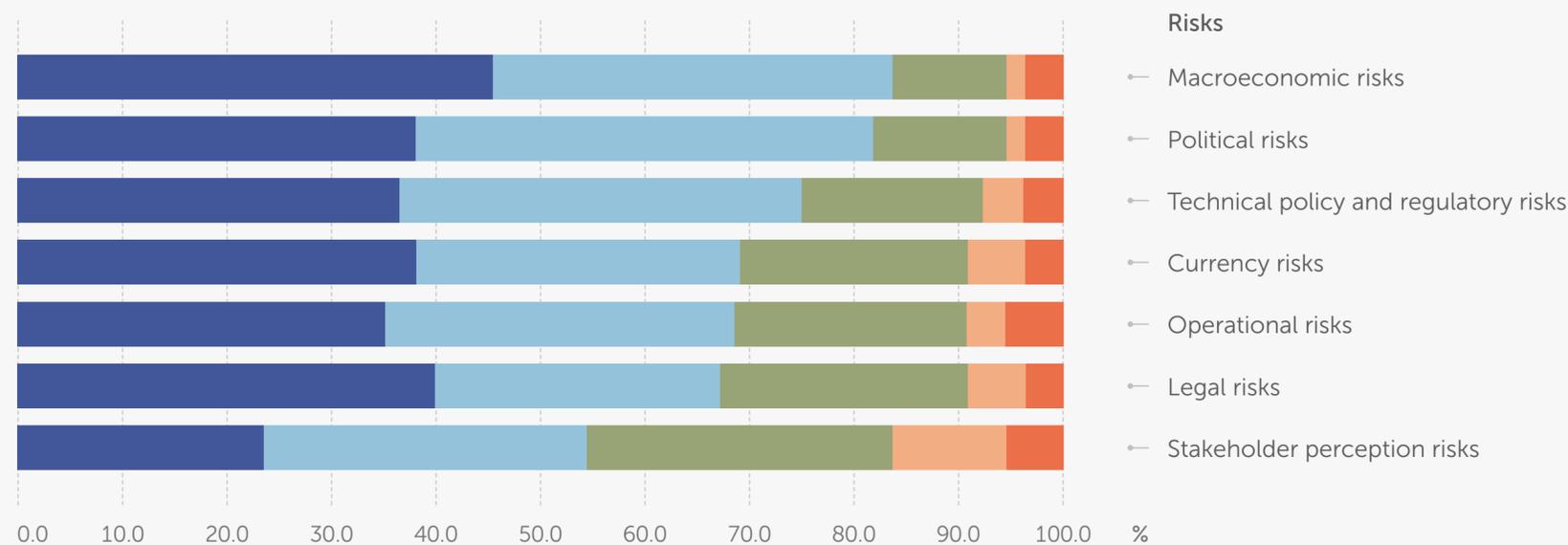


Mitigating African risk: a new avenue for financial partnership?

Export credit guarantees are a scheme in which the government, as a third party, provides risk mitigation by pledging to repay the lender in case of the borrower defaulting.

Macroeconomic and political risks are the main barriers for investors in Africa, with over 80% of respondents citing both as “highly” or “somewhat important”.

Selected African investors: importance of risks for investing in African countries (2022)



Launched in 2024, a new one-stop platform to consolidate guarantee products from World Bank, MIGA and IFC is expected to triple the World Bank Group’s guarantee business to over \$20 billion by 2030

● Highly important ● Somewhat important ● Neutral ● Unimportant ● Not important at all

Source: MIF based on AU-OECD (2024)

Overcoming Africa's currency challenges: the call for a single currency?

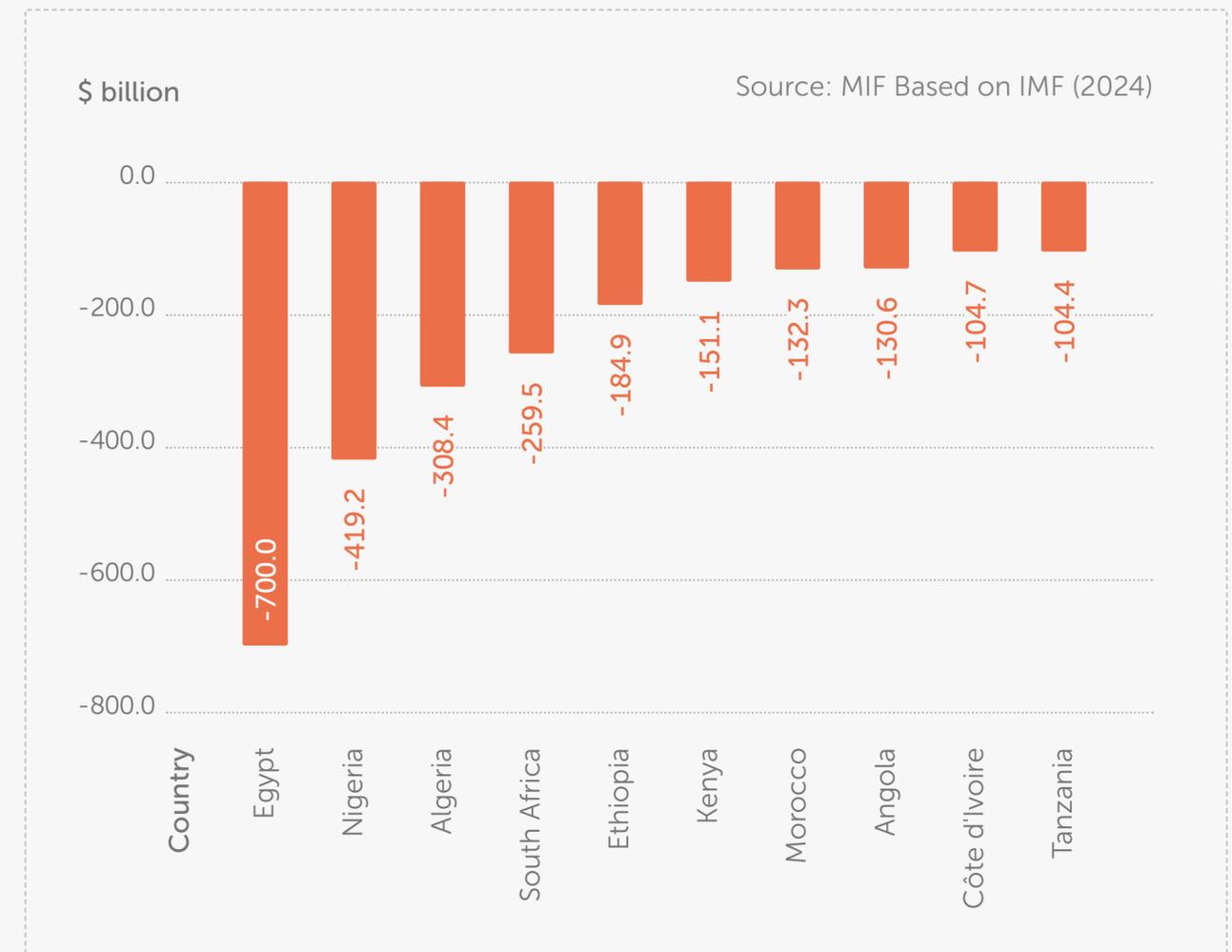
Only 12% of intra-African payments were cleared within the continent in 2017. The vast majority of intra-African payments are routed through overseas banks, meaning African currencies must first be exchanged into Dollars, Pounds or Euros and then swapped back to the receiving African countries currency.

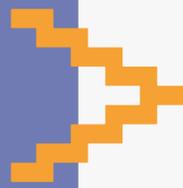
In recent years, many African currencies have weakened significantly against the US Dollar

Routing payments through overseas banks adds a further \$5 billion cost to intra-African currency transactions

Out of the 10 worst-performing currencies globally, five are from Africa, including the Zambian Kwacha, the Angolan Kwanza and the Nigerian Naira

African countries: largest declines in GDP, adjusted for purchasing power parity (2020-2025)

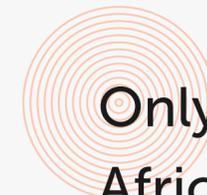




African Monetary Union: the step forward towards currency sovereignty



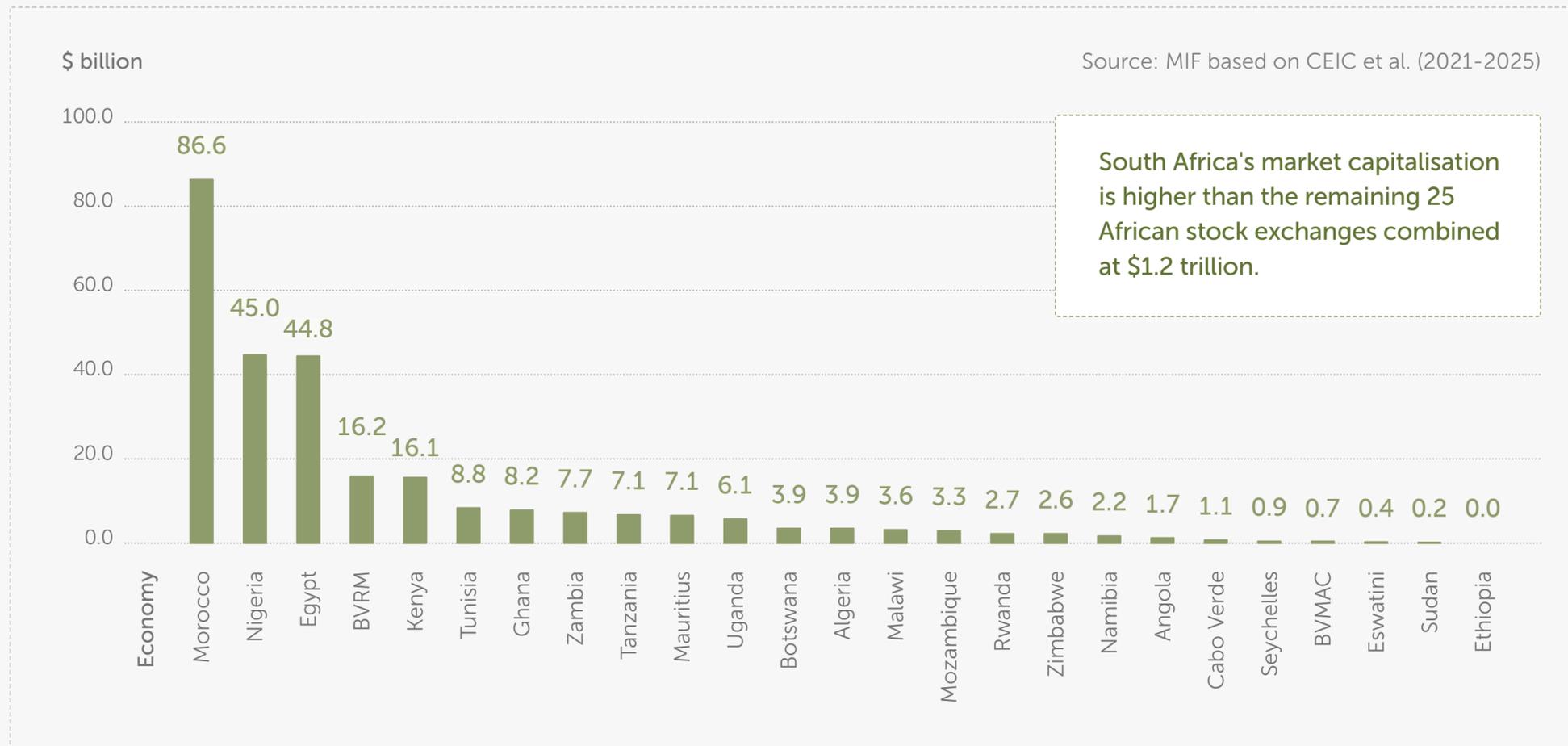
A monetary union with a single continental currency has long been on the AU's agenda. Inspired by the success of the EU's Euro, largely credited for its efficient means of transacting businesses and fuelling economic progress.



Only 39% of African businesses use African currencies to finance their cross-border deals, a substantial fall from the 69% recorded in 2022

Africa's stock exchanges: market capitalisation remains limited

Selected African countries (excluding South Africa): market capitalisation (latest available data year)



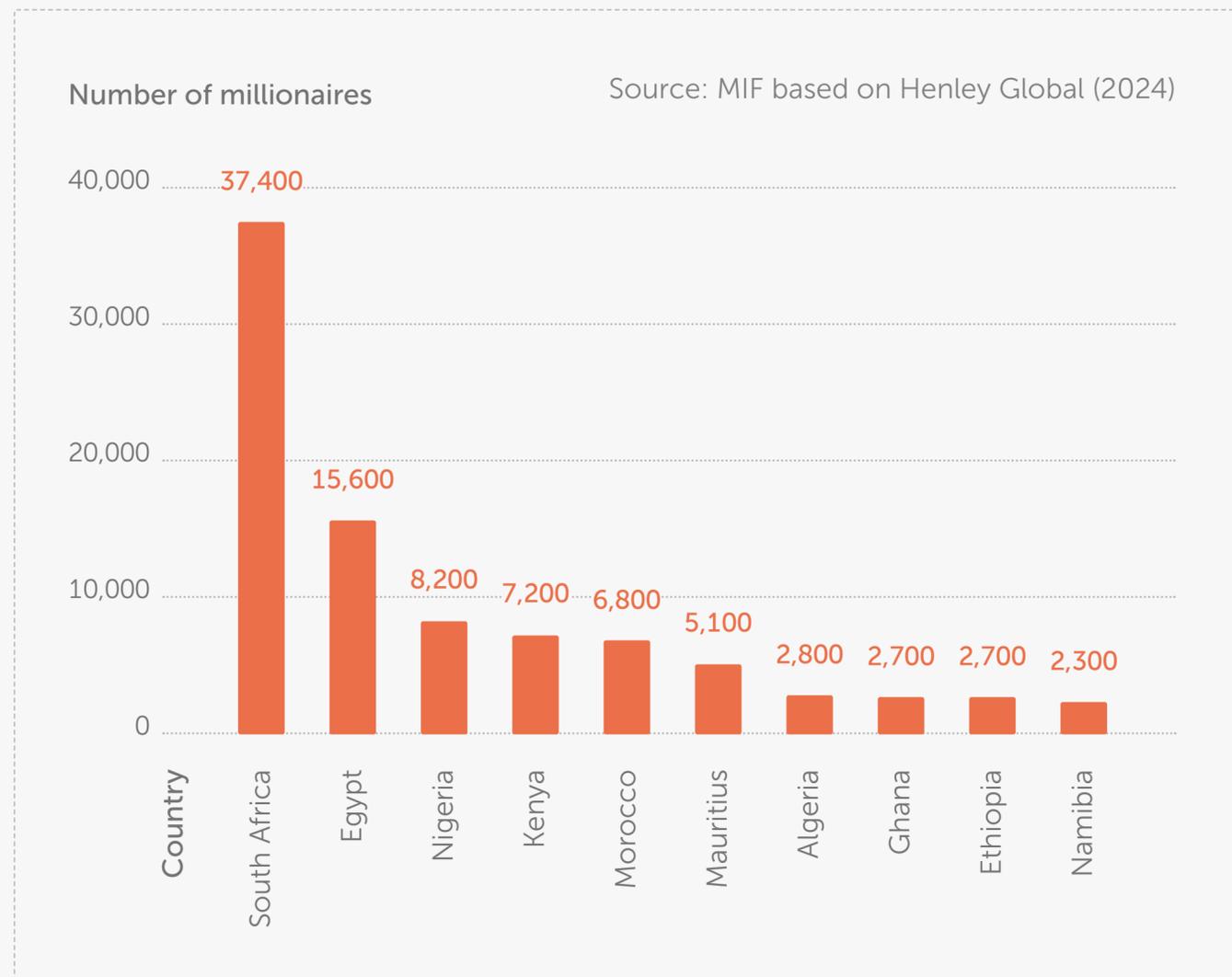
37 African countries are currently covered by at least one stock exchange

High transaction costs and listing conditions limit African stock exchanges

South Africa is the only African country with a market capitalisation featuring amongst the top 20 worldwide, with about 1.3% of total global market capitalisation

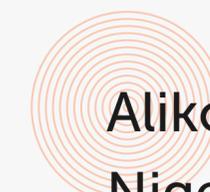
Africa's own private investable wealth is already large and will grow substantially

Selected African countries: number of millionaires (2024)

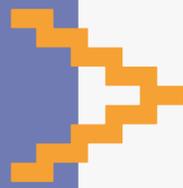


Africa's high net worth individuals own \$2.5 trillion worth of liquid investible wealth. However, the portion of this wealth invested within their own continent remains limited.

Over the next decade, the number of millionaires in Africa is projected to increase by 65%.



Aliko Dangote's investment in Nigeria's refinery capabilities amount to \$25 billion since 2017



Accelerating Africa's continental integration is key to leveraging its potential

Once properly implemented, the AfCFTA has the potential to propel Africa into a new financial era, supported by a participating population of over 1.5 billion people.

Eliminating import duties could boost intra-African trade by 52.3%. Eliminating average tariff barriers of 6.1% could double this volume.

Fully implementing the AfCFTA Agreement could boost intra-African FDI by 68% and is expected to increase Africa's economy to \$29 trillion by 2050.

The EU began as the European Coal and Steel Community (ECSC) built on harmonising coal and steel trade. Building a cohesive bloc on critical mineral ownership and trade would be a key step forward.

Selected free trade agreements: total population (2025)

