



## **New Report calls for unlocking \$170 billion annually to meet Africa's infrastructure needs**

A new report launched in South Africa at the 5<sup>th</sup> Finance in Common Summit, the global summit of public development banks, lays out crucial gaps and opportunities for the Africa-Europe Partnership to unlock more and better finance for infrastructure.

**Cape Town, 28 February 2025:** Africa's infrastructure needs, estimated at \$130-170 billion annually, are holding back the continent's growth. Despite African governments contributing approximately 40% of the current \$80 billion annual investment, a significant funding gap remains.

This gap is costing Africa a 2% annual reduction in its GDP growth. Adopting innovative financing solutions through domestic resource mobilisation and governance reforms is therefore critical for governments balancing competing budget lines.

In response, the Africa-Europe Foundation and the African Union Development Agency, in partnership with the African Climate Foundation, have released a new report: *[The Missing Connection: Unlocking Sustainable Infrastructure Financing in Africa.](#)*

**Nardos Bekele-Thomas, CEO of the African Union Development Agency (AUDA-NEPAD):** "Infrastructure development cannot succeed when sectors operate in isolation. Energy, transport, water, and digitalisation must function as parts of a larger whole, creating synergies that drive sustainability and long-term impact. Coordinating efforts across these interconnected sectors ensures that every road, bridge, or power plant becomes a vital link in a broader network that uplifts communities and fuels economic growth."

**Paul Walton, Executive Director of the Africa-Europe Foundation:** "Unlocking untapped areas of cross-continental action is in the DNA of the Africa-Europe Foundation and our joint work with AUDA-NEPAD and the African Climate Foundation. At a time when the world needs the Africa-Europe Partnership to step up, our report focuses on concrete actions and processes that will unlock more money and smarter money to address the critical challenges faced by our societies."

**Saliem Fakir, Executive Director of the African Climate Foundation:** "The African Climate Foundation works towards transforming key economic sectors in Africa through our country investment platforms. With that, we focus on the opportunities that can unlock the much needed investment on the continent - outlined in this report."

Launched at the 5<sup>th</sup> Finance in Common Summit (26-28 February), in association with South Africa's Presidency of the G20, the report serves as an operational blueprint for African and European public development banks and regional institutions to unlock needed finance without further exacerbating the African continent's debt crisis.

Priority areas of action:

- **Leveraging the G20 for domestic resource mobilisation.** South Africa's G20 Presidency, coinciding with the defining Financing for Development Conference, is key to



step up the level of ambition on internal revenue mobilisation. This includes clear actions on combatting illicit financial flows (estimated at \$50-115 billion per year);

- **Reinforcing the Africa-Europe Partnership to unlock investment.** Our report evidences the scope for an effective partnership between Africa and Europe to unlock \$2.3 trillion in investment, pension and sovereign wealth funds currently locked-up overseas. It also calls for enhanced co-design and co-ownership in the implementation of ‘Team Europe’ pledged financing to ensure the impact and visibility of the flagship EU Global Gateway initiative.
- **Embracing Digital and AI industry-wide to drive transformation.** While digitally-driven approaches and organic AI solutions are emerging, accelerating growth and maturity needs industry-wide strategic and targeted interventions across the infrastructure ecosystem— from asset managers to contractors and software vendors. Investment in digital public infrastructure is the technological backbone of sustainable development, leading to transparency in financial management and accelerated regional integration.
- **Prioritising infrastructure investments at the energy-climate-health nexus.** The African continent plays a pivotal role in the global energy transition, with significant reserves of the minerals vital for global decarbonisation and consequent health co-benefits, as well as a vast store of arable land that can enhance food security and support export-driven growth.
- **Standardising infrastructure-investment data collection for an industry-wide reporting standard.** This reporting standard can streamline funding processes (‘smart money not only more money’), increase transparency between investors and managers, and maximise industry participation.

Collectively, these initiatives and reforms alone could generate more than enough resources to meet Africa’s infrastructure investment gap. However, they require sustained governance improvements, financial transparency, and long-term equitable international collaboration. In a changing geopolitical context where development aid is contested and purse strings are tightening, it is crucial to improve the quality and efficiency of existing investments and projects.

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#### Notes to editors:

- The report is an initiative of AUDA-NEPAD and the Africa-Europe Foundation in the framework of their [multi-annual partnership](#), carried out in partnership with the African Climate Foundation (ACF) and aligned with ACF’s mission to ensure social, economic, and climate resilience in Africa and unlock sustainable infrastructure investments for a just and equitable transition compatible with global climate goals.
- **Report:** For further information and to access the full report, *The Missing Connection: Unlocking Sustainable Infrastructure Financing in Africa.*, please visit this [link](#).
- **Report Launch Event:** The report launch will be complemented by a public event at the [5<sup>th</sup> Finance in Common Summit](#) on 28 February in Cape Town, in partnership with the European Investment Bank and Meridiam.



### ***About AUDA-NEPAD***

The African Union Development Agency-NEPAD is the technical body of the African Union. The mandate of AUDA-NEPAD is to facilitate and coordinate the implementation of regional and continental priority programmes and projects in line with Agenda 2063 and to push for partnerships, resource mobilisation, research and knowledge management. Through AUDA-NEPAD, African countries are provided unique opportunities to take full control of their development agenda, to work more closely together and to cooperate more effectively with international partners.

### ***About the Africa-Europe Foundation***

The Africa-Europe Foundation (AEF) is an independent platform for multistakeholder dialogue, frank debate and strategic analysis bringing together experts and leaders from diverse organisation settings to strengthen the partnership between Africa and Europe. AEF multistakeholder Strategy and Working Groups offer a safe space for exchange on critical, sometimes contentious issues between Africa and Europe and form the backbone of AEF's work to catalyse innovative partnerships and unlock untapped areas of cross-continental cooperation, from the future of health and the reform of financial systems to energy, agri-food and the blue economy. AEF's AU-EU Tracker aims to complement existing efforts to monitor and facilitate the implementation of political and financial commitments of the cross-continental partnership; and through its strategic research and outreach programme AEF is reaffirming Africa-Europe relationship at the multilateral level.

### ***About the African Climate Foundation***

The African Climate Foundation (ACF) is the first African-led strategic grant-maker working at the nexus of climate change and development. ACF unlocks and supports development opportunities in climate action in Africa through a combination of grant making, research, technical assistance, coalition building and targeted advocacy, as well as multi-stakeholder convenings.