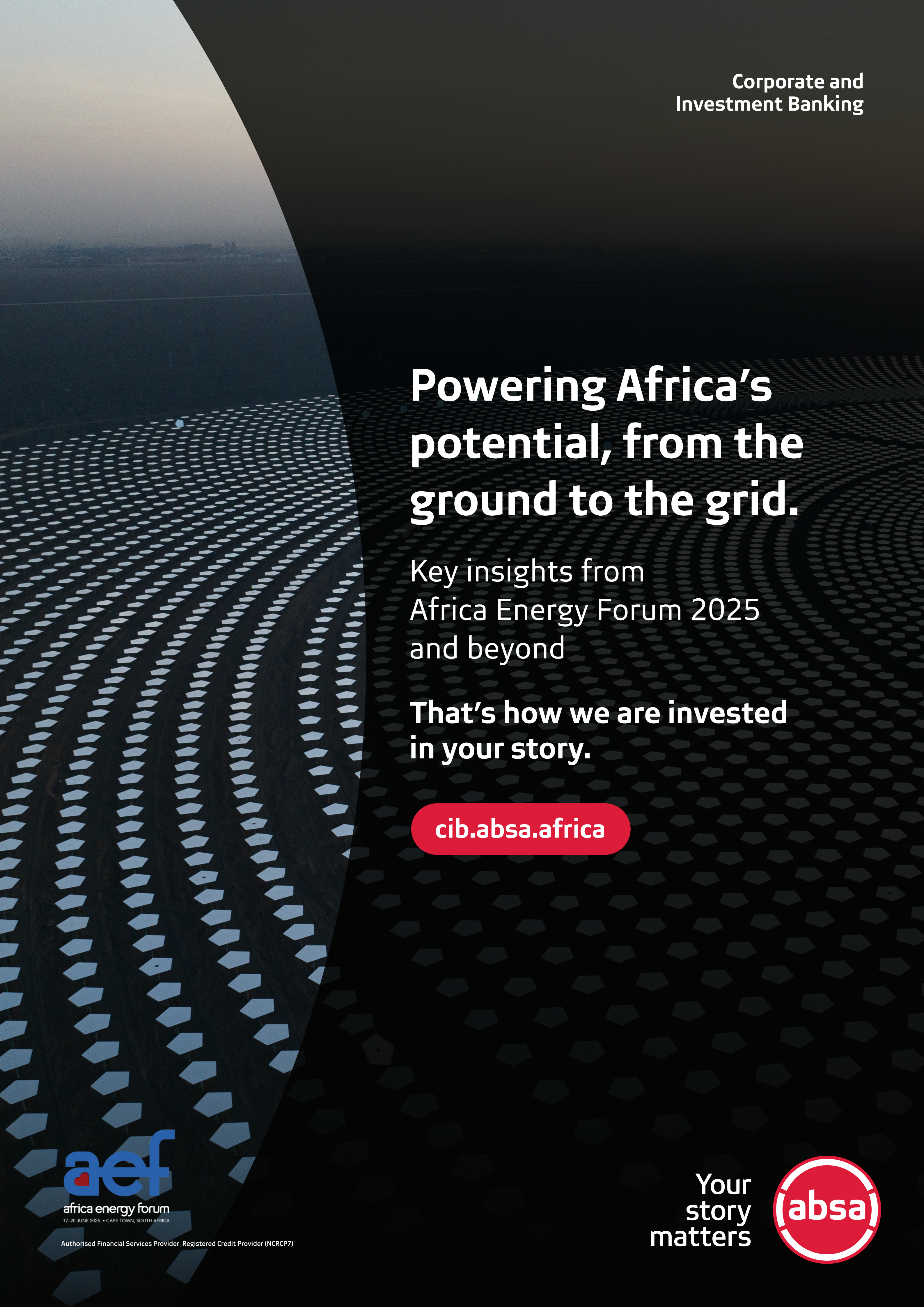

Corporate and
Investment Banking

Powering Africa's potential, from the ground to the grid.

Key insights from
Africa Energy Forum 2025
and beyond

That's how we are invested in your story.

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Corporate and
Investment Banking

Africa’s potential lies in the capacity to transform its resources into measurable progress.

As a pan-African financial institution, Absa Corporate and Investment Banking (Absa CIB) is committed to empowering Africa’s tomorrow by enabling sustainable investments that drive climate resilience, energy security, and inclusive economic growth. Recognising that climate change presents both risks and opportunities, we continue to play a pivotal role in mobilising capital to support businesses, communities, and individuals on their transition journey.

We are one of Africa’s largest financiers of renewable energy. Our lending and expertise in this sector directly support both energy decarbonisation and the closure of the African energy poverty gap. We are proud to be one of the main financiers of South Africa’s Renewable Energy Independent Power Producer (REIPP) programme - having arranged financing for more than 50% of all projects closed to date. Additionally, we have helped our clients with approximately R40bn in sustainability-linked products and solutions, enabling them to accelerate their sustainability journeys.

Proud sponsor of the Africa Energy Forum 2025.

Understanding ‘Africa United’

The theme for the 2025 Africa Energy Forum is Africa United. As South Africa assumed the G20 presidency this year, the theme is relevant because it reflects a growing recognition of Africa’s role in shaping global energy outcomes. Regional alignment across infrastructure, regulation, and capital flows is becoming essential to scale renewable deployment and unlock cross-border energy trade. The continent’s collective energy story is increasingly being positioned as a coordinated investment opportunity with global relevance.

- **What Africa’s Renewable Investment Wave Requires Most Is Design**
- **Africa Is Rewriting the Rules of Clean Power – As It Plays the Game**
- **De-Risking Africa’s Renewable Energy Agenda**

Your story matters

What Africa's Renewable Investment Wave Requires Most Is Design

"For investment to become a strategic lever in Africa's energy transition, it must be underwritten by coherence: in market design, in institutional posture, and in the instruments that connect assets to scale."

Key Insights:

- Capital is flowing into Africa's renewable energy sector, but the pace and scale of allocation remain inconsistent, shaped more by bespoke, risk-structured transactions than by replicable frameworks capable of driving systemic capital reallocation.
- The absence of foundational design in market architecture — including bankable tariff regimes, credible project pipelines, and risk-absorbing instruments — continues to limit the pool of M&A-eligible assets and constrain the emergence of a deep secondary market.
- Regulatory and structural fragmentation across jurisdictions undermines the potential for consolidation, with assets housed in ring-fenced vehicles and governed by localised permitting, tariff, and offtake arrangements that are not easily tradable or scalable.
- Strategic M&A activity in this environment depends on new design pathways, including pooled asset vehicles, refinance and securitisation mechanisms, and regulatory harmonisation that enables cross-border participation and reduces transaction complexity.
- Institutional investors and developers are adopting either acquisition-driven or diversified platform strategies, both of which signal a shift toward more permanent, scalable market presence and reinforce the need for coherence in how assets, capital, and risk are aligned.

Avania Moosa
Director, Resources & Energy,
Absa CIB

Chetan Jeeva
Head, SA Corporate &
Leveraged Finance,
Absa CIB

Africa Is Rewriting the Rules of Clean Power – As It Plays the Game

"Africa's energy transition is not a waiting game. For those with long-term capital and a disciplined risk lens, the opportunity lies not only in unmet demand, but in the growing coherence of the systems built to meet it."

Key Insights:

- Regulatory frameworks across African markets are being actively reshaped to make clean power more bankable, with policy design now recognised as a core lever for capital mobilisation.
- Tariff reform is advancing beyond traditional binaries, with governments introducing pricing models that support commercial viability while maintaining social protections through targeted instruments.
- The evolution of financial architecture is beginning to reflect the specific needs of clean energy investment, with regulatory adjustments supporting the development of green finance categories, improved lending conditions, and greater liquidity access.
- Transmission and distribution infrastructure is not keeping pace with new generation capacity, creating a risk of stranded assets and highlighting the need for integrated investment strategies that span the full energy value chain.
- Long-term investment decisions depend on regulatory coherence, political predictability, and functional capital markets, including clear repatriation frameworks, foreign exchange access, and the availability of local-currency instruments at viable tenors.

Brian Kalero
Director, Corporate Banking,
Absa Bank Zambia Plc.

De-Risking Africa's Renewable Energy Agenda

"When markets offer credible instruments, capable institutions, and solutions aligned to real-world risk, investment decisions become less speculative and more strategic."

Key Insights:

- Project viability across African energy markets is shaped less by ambition than by the structural readiness to manage embedded risks, including currency exposure, offtake arrangements, construction delays, and political uncertainty.
- High perceived volatility drives up return expectations and limits the flow of capital into infrastructure, underscoring the need for risk mitigation tools that are embedded early and aligned to the realities of African markets.
- Traditional hedging instruments play a critical role in protecting returns and stabilising cash flows but are often constrained by currency convertibility issues, limited market depth, and a mismatch between available tenors and infrastructure timelines.
- Developers and financiers are increasingly deploying alternative approaches — including natural hedges, tailored contracts, and central bank-supported structures — to navigate localised risk where conventional financial tools fall short.
- A credible investment environment depends on the combined presence of catalytic early-stage equity, market-responsive risk-sharing mechanisms, and financial institutions with the structuring expertise to translate ambition into executable, bankable design.

Opy Ramaremisa
Head, Client Solutions
for Corporates

Vuyo Mafrika
Head, Client Solutions ARO,
Absa CIB

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invested in your story.

Your story matters