

Discussion Paper

Africa's Power

Investment Landscape

Why Scaling Renewable IPPs is Essential



GET.transform is co-funded by



Ministry of Foreign Affairs of the
Netherlands



UNIVERSITY OF CAPE TOWN



Prepared by

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Registered offices
Bonn and Eschborn, Germany

GET.transform

Friedrich-Ebert-Allee 32 + 36
53113 Bonn, Germany
T +49 228 44601112
E info@get-transform.eu
I www.get-transform.eu
I www.giz.de

© 2026 Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. All rights reserved.
Licensed to the European Union, the German Federal Ministry for Economic Cooperation and Development, the Norwegian Agency for Development Cooperation, the Swedish International Development Cooperation Agency, the Ministry of Foreign Affairs of the Netherlands, and the Austrian Development Agency, under conditions.

Place and date of publication

Bonn, April 2026

Authors

Dr Wikus Kruger, Power Futures Lab, University of Cape Town – Implementing Partner of GET.transform
Dr Olakunle Alao, Power Futures Lab, University of Cape Town – Implementing Partner of GET.transform

Reviewers

Daniel Werner, GET.pro
Christopher Gross, GET.transform
Stephanie Betz, GET.transform

Photo credits

Cover © istock/douwdejager

Responsibility for the content of external websites linked in this publication always lies with their respective publishers. GET.transform expressly dissociates itself from such content.

GET.transform is a European programme which offers developing and emerging countries comprehensive advisory services to advance their energy sector transformations. It is hosted on the multi-donor platform GET.pro (Global Energy Transformation Programme), and co-funded by the European Union, Germany, Norway, the Netherlands, Sweden and Austria.



In a Nutshell

Large public power projects continue to dominate headline investment figures in Africa’s power sector. These highly visible, state-led investments – particularly large hydro, gas and coal projects - shape perceptions of where capital is flowing. Yet they obscure underlying trends.

Across most of Sub-Saharan Africa, a different reality is emerging: outside a small number of large, publicly financed projects, **renewable independent power producers (IPPs) have become the leading source of new generation capacity**. Most of this new capacity is solar and wind.

This shift is not policy-driven, but economics-driven. Africa faces a structural power investment gap of tens of billions of dollars per year, far beyond what public budgets and financially constrained utilities can deliver. At the same time, the cost of solar PV, wind and battery storage has fallen sharply, making them the most competitive options for new power generation and, increasingly, even undercutting the operating cost of existing fossil plants in some markets.

Renewable generation can, in principle, be developed by public actors. However, in most African power systems, fiscal constraints, high sovereign borrowing costs and weak utility balance sheets mean that scaling investment at the required pace is not feasible through public delivery alone. The central issue is therefore not ownership, but scalability: private capital is not a complement, but the primary scalable pathway to mobilise investment at the speed and volume required.

Where enabling conditions are in place, renewable IPPs are already delivering. Competitive procurement frameworks, bankable power purchase agreements and adequate grid infrastructure have enabled a growing number of countries to attract investment and build repeatable project pipelines. However, these conditions remain uneven, and overall volumes remain far below what is needed.

Looking across the full IPP value chain, a clear pattern emerges. **European and African actors are the leading players in the upstream segments of the market, including financing, project development and engineering, procurement and construction. These segments capture a significant share of project value and margins**. At the same time, manufacturing of key technologies, particularly in solar and battery storage, is increasingly concentrated in Asia. This underlines a strategic point: the IPP model is not only critical for scaling capacity, but also the **primary entry point for European and African private sector participation** in the most value-accretive parts of the clean energy value chain.

The implication is clear. Scaling renewable IPPs should be at the centre of Africa’s power strategies and of European partnership efforts. Public actors remain indispensable, particularly for transmission and distribution, system planning and the creation of stable, bankable regulatory frameworks. Within this division of roles, private investment can deliver generation at scale, while public finance is best targeted where private participation is limited.

This paper builds on earlier work by GET.transform and Power Futures Lab on competitive renewable energy procurement¹. It reinforces a central message: **well-designed tender frameworks are not merely procurement tools, but the foundation for unlocking sustained private investment, strengthening African–European industrial participation, and accelerating the energy transition across Africa.**

The Scale of Africa’s Power Investment Gap

Africa’s electricity systems are entering a decade of extraordinary pressure. Demand is expected to rise steeply as populations grow, economies expand, and electrification efforts accelerate. Recent modelling suggests that total electricity demand will increase by roughly 40–50% by 2030, reaching close to 1,200 TWh – from already constrained systems that struggle to meet today’s needs, and is projected to double to around 2,400 TWh by 2040 (AfDB, 2024).

At the same time, the continent remains far off track on universal access. Delivering Sustainable Development Goal 7 (SDG7) by 2030 would require connecting about 600 million people; even in a “delayed SDG7” scenario that shifts universal access to 2040, more than 300 million people would need to be connected by 2030. West, Central and East Africa account for the bulk of this challenge. In several of these regions, required installed capacity would need to expand by 150%, in systems that already face supply deficits and chronic reliability problems (AfDB, 2024; IEA, 2025).

Meeting this combination of demand growth and access expansion implies a massive build-out of new generation capacity. Under a least-cost expansion pathway aligned with SDG7, Africa would need to add on the order of 182 GW of new generation capacity between 2023 and 2030 – roughly 26 GW every year – with about 88% of that coming from solar and wind (AfDB, 2024). By contrast, historical additions have averaged only about 7-8 GW per year across Africa, and just 2–3 GW per year in Sub-Saharan Africa (SSA) when South Africa is excluded (EIA, 2024; BloombergNEF, 2024). At the current pace, Africa is expanding power capacity at only a fraction of what is required.

The investment gap that follows from this mismatch is substantial. The African Development Bank (AfDB) estimates that meeting generation needs and minimal associated transmission and distribution (T&D) expansion to 2030 will require average investments of around USD 64 billion per year (AfDB, 2024). Actual commitments into African power systems between 2014 and 2020 averaged about USD 35 billion annually, implying a funding gap of roughly USD 25–30 billion per year even before accounting for full grid reinforcement and last-mile access costs. When universal access and climate-resilient networks are fully factored in, the gap is larger still (AfDB, 2024).

¹ <https://www.get-transform.eu/driving-growth-effective-renewable-energy-tendering-in-africa/>

This shortfall is not evenly distributed. Middle-income countries with large power systems – notably in North Africa and South Africa – have attracted the majority of recent investment. By contrast, smaller systems across the rest of Sub-Saharan Africa, which combine low access rates with fast demand growth, have seen only modest absolute increases in capacity and investment (AfDB, 2024; IEA, 2025).

The implication is straightforward: current public and private investment levels are not commensurate with Africa’s power expansion needs, particularly in countries with small, fragile power systems. Without a step change in the volume and composition of investment, the continent will fall short on universal access and affordable power and will continue to rely on expensive backup generation and load shedding as a de facto balancing tool.

Where Investment Is (And Isn’t) Happening

At first glance, continent-wide data suggests that new capacity additions are still largely driven by the public sector. Aggregate trends reinforce this view, showing that state-owned utilities and state-backed projects account for a large share of recent megawatts commissioned. Yet this picture is heavily skewed by a handful of very large, predominantly fossil-based public projects.

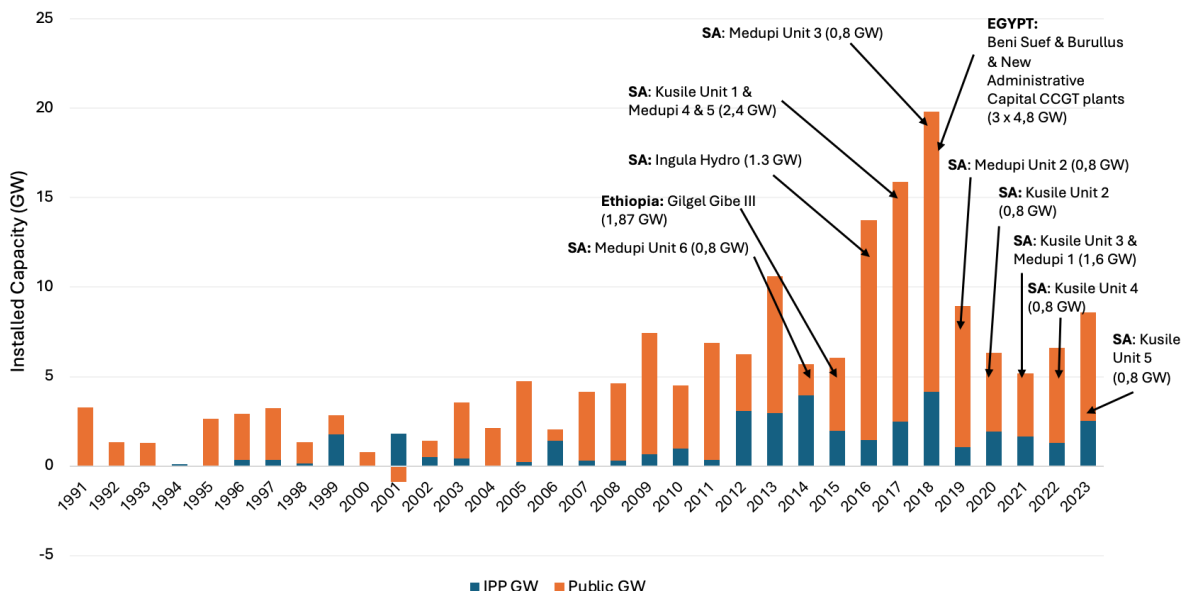


Figure 1: Annual capacity additions - public vs. private (Africa)

Two cases are particularly distorting. In South Africa, much of the recent “public²” capacity addition reflects individual units of the Medupi and Kusile coal plants (together they represent 9,6 GW of capacity) finally coming online, after construction began in 2008. In Egypt, a series of large, combined cycle gas plants – including the high-profile Siemens megaprojects – dominate recent capacity growth (total of 14,4 GW of capacity). When South Africa and North Africa are excluded, public and state financed projects become comparable to independent power producer (IPP) activity.

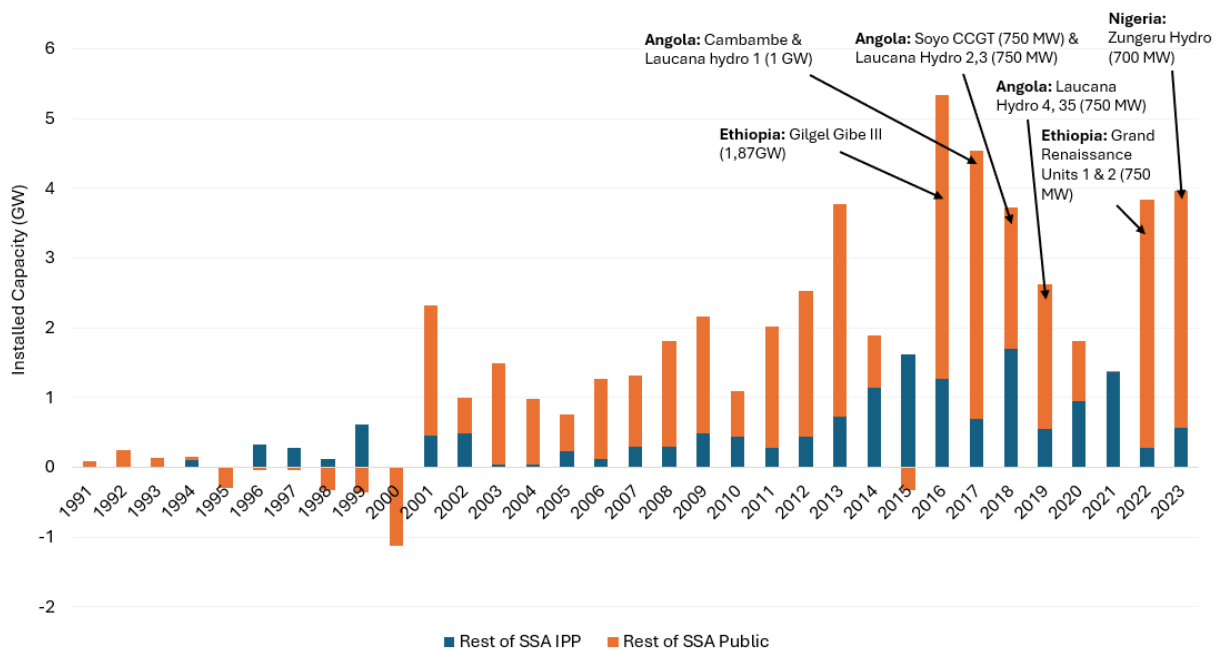


Figure 2: Annual capacity additions - public vs. private in ‘Rest of SSA’ – SSA excluding South Africa

Once these outliers are removed, as Figure 2 shows, a different reality emerges. In the rest of Sub-Saharan Africa (SSA), IPPs account for a larger share of new capacity, and most of that new IPP capacity is renewable. While Ethiopia and Angola added relatively significant public capacity (mostly large hydro), PFL data show that for the rest of the region, meaningful additions over the last decade have come from renewable IPPs – primarily solar PV and wind, with important but fewer geothermal and biomass projects. However, the absolute volumes remain small: many countries are adding less than 200 MW per year, often through a handful of small- or medium-scale projects.

² Public projects are all those in which majority ownership is by a public entity.

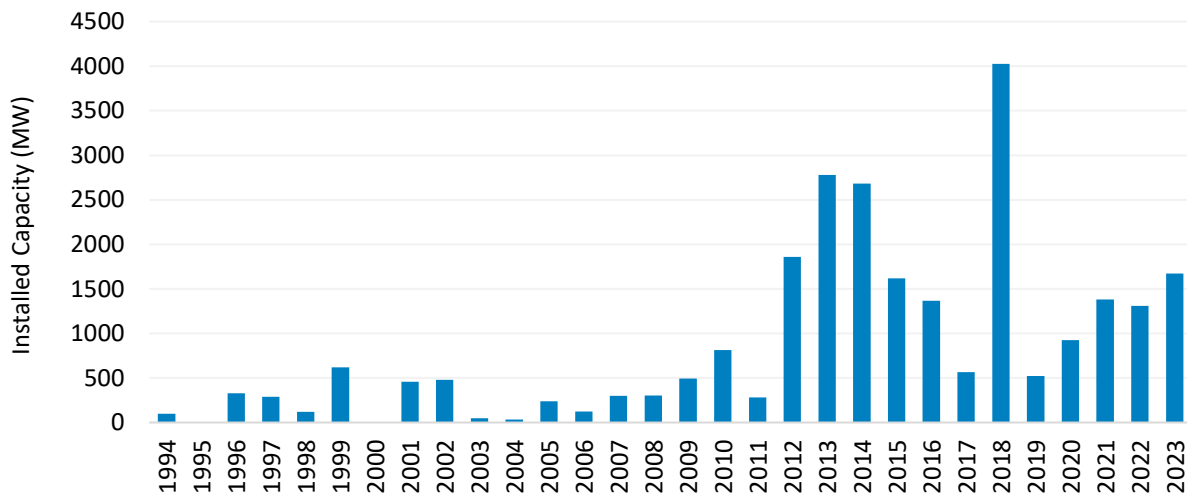


Figure 3: RE IPP annual capacity addition in SSA

The geography of investment is also highly concentrated. Since 2010, the bulk of new capacity has been commissioned in Egypt, South Africa and Morocco, combining large public plants with sizeable waves of renewable IPPs. Elsewhere on the continent, capacity growth has been incremental. Countries such as Kenya, Senegal, Zambia, Namibia and Uganda have each managed to commission several utility-scale IPPs, but many neighbours have seen few or no new plants reach operation.

Procurement approach is a key part of this story. Countries that have adopted structured, competitive procurement – especially multi-round auctions – tend to display higher volumes of renewable IPP investment and more repeatable project pipelines. South Africa’s REIPPPP and Morocco’s programme under MASEN are emblematic: in both cases, auctions have delivered multiple gigawatts of renewable capacity at progressively lower tariffs. Recent reforms allowing for direct IPP electricity sales to large commercial and industrial clients have accelerated this trend, not only in South Africa, but also in Namibia and, lately, Zambia.

By contrast, where direct negotiations remain the dominant route to market, projects are fewer, slower and often more expensive. Developers may secure individual deals in such environments, but the approach rarely produces a durable pipeline of bankable projects.

The core insight is that, outside South Africa and Egypt, renewable IPPs are already the main route through which new capacity is being added – but the volumes are far below what is needed. Competitive procurement frameworks exist and can work, but they are not yet widespread or consistently applied across the continent.

Why Public Actors Cannot Meet Africa's Power Investment Needs

The natural question is whether governments, public utilities and sovereign lenders could step back in to close the investment gap. The evidence suggests they cannot, at least not at the required scale and speed.

On the fiscal side, many African governments are already highly constrained. Debt service burdens have risen significantly over the past decade, and a growing number of countries are classified at high risk of, or already in, debt distress. Recent analyses of Africa's debt dynamics highlight mounting vulnerabilities, limited access to concessional finance, and high yields on sovereign bonds where market access exists at all. In this context, large new borrowing for generation projects – especially where denominated in foreign currency – is politically and fiscally difficult to justify (Afreximbank, 2024; UNCTAD, 2025).

At the same time, utilities – the entities that would normally anchor public sector investment – are in weak financial health. The World Bank notes that most African utilities are in a precarious financial situation; they struggle to cover operating costs, let alone service debt or cofinance system expansion. Collection rates are often low, receivables routinely exceed a year of revenue, and technical and commercial losses frequently sit in the mid-teens or higher. Liquidity is thin, and many utilities have negative debt service coverage ratios (Balabanyan et al., 2021; Twesigye, 2024).

These structural problems make it extremely difficult for utilities to take on significant new borrowing, or to self-finance major investments from retained earnings. Even where they can access concessional loans from multilateral development banks, these are increasingly prioritised for grid reinforcement, loss-reduction and rehabilitation of existing assets, rather than for large new generation programmes.

Together, limited fiscal space and weak utility balance sheets imply that public finance cannot realistically scale to the USD 60+ billion per year that Africa's power sector requires (AfDB, 2024). Public funding will remain essential – especially for transmission, distribution, and access – but it is neither feasible nor desirable for the public sector to attempt to cover the entire investment need in generation.

This makes the mobilisation of private capital into generation, and particularly into renewable IPPs, not a matter of ideology but a practical necessity.

Where and Why Private (Renewable) Investment Is Happening

Despite these constraints, there is a meaningful base of private-sector activity to build on. IPPs are not a theoretical solution: they are already financing and operating a significant share of new renewable capacity across the continent.

The distribution of that activity is uneven. A first cluster of mature IPP markets includes South Africa, Morocco and Egypt. These countries have relatively large, creditworthy offtakers (or at least backed by sovereign support), clear legal frameworks, and a track record of running competitive tenders. They have succeeded in attracting multiple waves of IPP investment, including from international sponsors, Development Finance Institutions (DFIs) and commercial lenders, often at globally competitive prices.

A second cluster comprises emerging IPP markets such as Kenya, Senegal, Ghana, Senegal, Cote D'Ivoire, Uganda, Zambia and Namibia. Here, frameworks for IPPs exist and have delivered projects, but performance is mixed. Some tenders have closed successfully; others have suffered from delays; projects have been subject to repricing or cancellations linked to policy changes; and grid constraints or macro-economic stress have at times caused investors to walk away.

A third cluster – encompassing much of West, Central and parts of East Africa – can be considered frontier markets. In these systems, IPP frameworks are partial or poorly implemented; direct negotiations are still the main route to contracting; and only a handful of projects have reached financial close.

Across these clusters, PFL's data and regional experience point to a consistent set of conditions associated with successful private renewable investment:

- Structured, repeatable procurement – multi-round auctions or standardised tender processes that build a pipeline rather than treating each project as a one-off.
- Bankable power purchase agreements (PPAs) with clear payment security arrangements, supported where necessary by guarantees or liquidity backstops.
- Grid readiness and transparent interconnection rules, including clarity on who funds and builds evacuation lines.
- Predictable regulation, with regulators that are independent enough to credibly commit to tariff and market-design decisions.
- Access to long-tenor debt, often anchored by DFIs and blended with commercial and, where possible, local-currency funding.

Where these elements are present, renewable IPPs have scaled quickly, even in relatively small or lower-income markets (e.g. Uganda, Namibia). Where they are missing, IPP pipelines stall, regardless of the theoretical attractiveness of the resource.

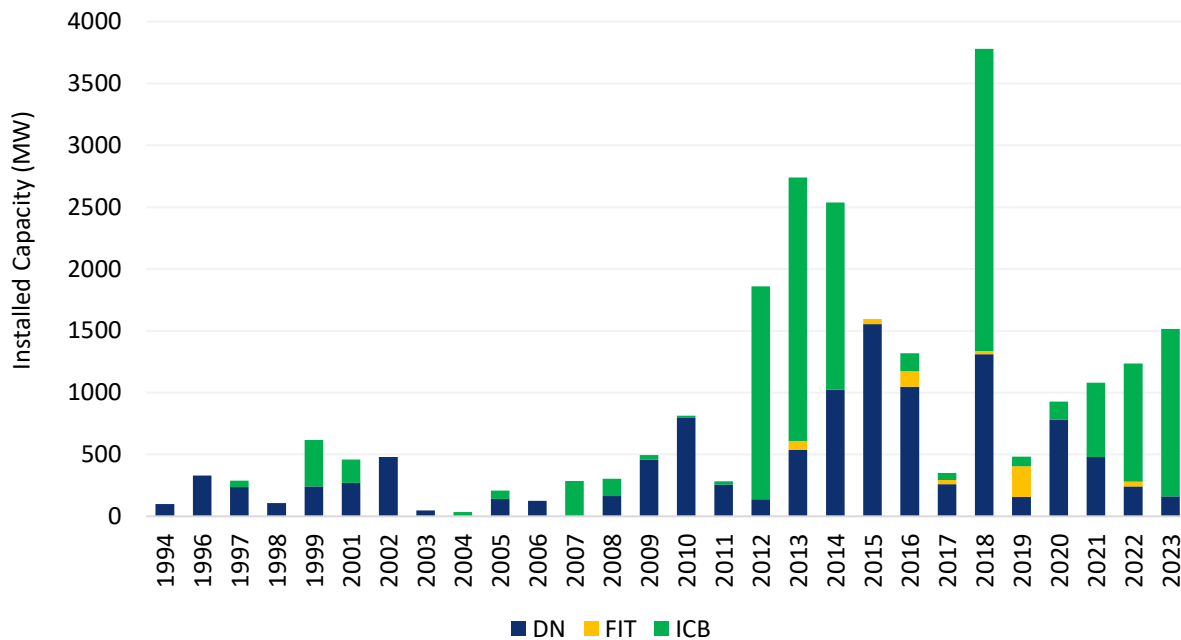


Figure 4: SSA IPP procurement methods by year of Financial Close (FC). DN – Direct Negotiations / Unsolicited Bidding, FIT – Feed-in-Tariff, ICB – International Competitive Bidding / Auctions

How Private Renewable Investment Works: The IPP Value Chain

Understanding how IPPs are financed helps clarify why they are so relevant for fiscally constrained systems – and where external support can be most catalytic.

Unlike state-owned utilities, IPPs do not rely on their own balance sheets to build new plants. Instead, they use limited recourse project finance, where the project company raises capital on the strength of its contracts – primarily the PPA – and its expected future cash flows.

Most IPPs are financed with a mix of 20–30% equity and 70–80% debt. Equity is provided by project developers and other sponsors, who take the highest risk but also stand to earn the highest returns if the project performs. Debt is provided by DFIs, export credit agencies, commercial banks and, in some cases, local banks, typically with tenors of 10–20 years. Debt is typically cheaper than equity, facing less risk as debt service is guaranteed (at a fixed return) and repaid first. Lenders are key to any project finance structure, and a project has to meet lender risk allocation requirements to secure a loan (i.e. be considered “bankable”).

Alongside the capital structure sits the EPC (engineering, procurement and construction) contract, under which a specialised firm designs and builds the plant for a fixed price and according to a fixed schedule. High-quality EPC execution is critical: delays or cost overruns can quickly erode project economics. Once the plant is commissioned, operations and maintenance (O&M) contracts govern day-to-day technical performance over the project's lifetime.³

This structure has three important implications for policy and development partners:

- 1) Government balance sheets are not the primary funding source. Public actors do not need to borrow to build the plant; their main financial obligations are via the PPA and, where applicable, guarantees.
- 2) Risk allocation and contract quality are central. If PPAs, guarantees and grid-connection arrangements are poorly designed, the cost of capital rises sharply or financing becomes unavailable.
- 3) Multiple segments of the value chain offer entry points for African and European firms – as developers, equity sponsors, lenders, EPC contractors, O&M providers, and advisors.

In other words, IPPs offer a practical mechanism to bring in long-term private capital for generation, while reserving scarce public finance for areas where private participation is harder – such as T&D and access.

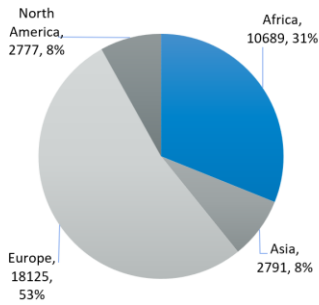
Who Invests in Sub-Saharan African's Renewable IPPs

PFL's IPP database hosts and tracks over 1,000 African (greenfield; utility-scale, > 5 MW) power projects - developed, financed, built, owned, and operated by the private sector. The data provides a granular look at who is actually investing in Africa's IPPs – as equity sponsors, lenders and EPC contractors⁴. Zooming-in on SSA, the picture that emerges is one of strong European presence alongside growing African participation (Figure 5).

³ The value chain analysis in this paper excludes equipment manufacturing, as project-level data for these segments is very limited. Instead, the value chain is defined within the boundaries of IPP project structuring, financing and delivery components, namely equity, debt, and EPC.

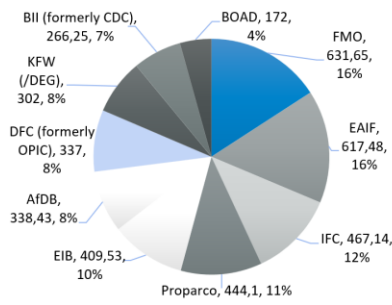
⁴ Lead contractor based on confirmed project documentation. Projects with mixed-consortium EPC structures and unclear lead contractors were excluded from analysis.

Equity: Majority Project Shareholding by Region (HQ) – IPP SSA Total \$m



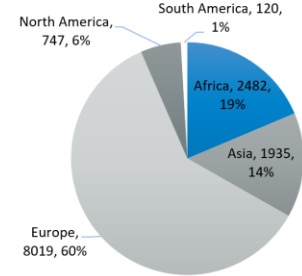
Leading countries: France, South Africa, UK, Italy, and USA.

Debt: DFI Volume of Investment Contribution in SSA IPPs



Leading institutions: FMO (Netherlands), EAIF (majorly EU), IFC (global), Proparco (France), and EIB

EPC: Geographic Origin of EPC Firms in SSA IPP Projects (MW)



Leading countries: Spain, South Africa, Norway, and China

Note: China also plays a prominent role on the equipment supply and manufacturing

Figure 5: Geographic origin of shareholders, lenders and EPC contractors for SSA IPPs (cumulative 1990-2024)

Equity

On the equity side, European sponsors hold a large share of majority equity in Sub-Saharan African IPPs, particularly in renewable projects. Analysis of majority equity shareholding by total investment⁵ (Figures 5 and 6) shows European investors dominating positions across the region, with African sponsors also playing a sizable role, especially in South Africa and Kenya.

⁵ Figures 5 and 6 illustrate the origin of majority equity shareholders using the total investment size of their respective projects. As actual equity contributions are not consistently disclosed, proportional analysis relies on total project size as a proxy. Consequently, this does not represent the shareholder’s real equity investment.

The scenario does not change when zooming-in for Renewables IPPs (Figure 6), with European and African investors remaining with the largest shares.

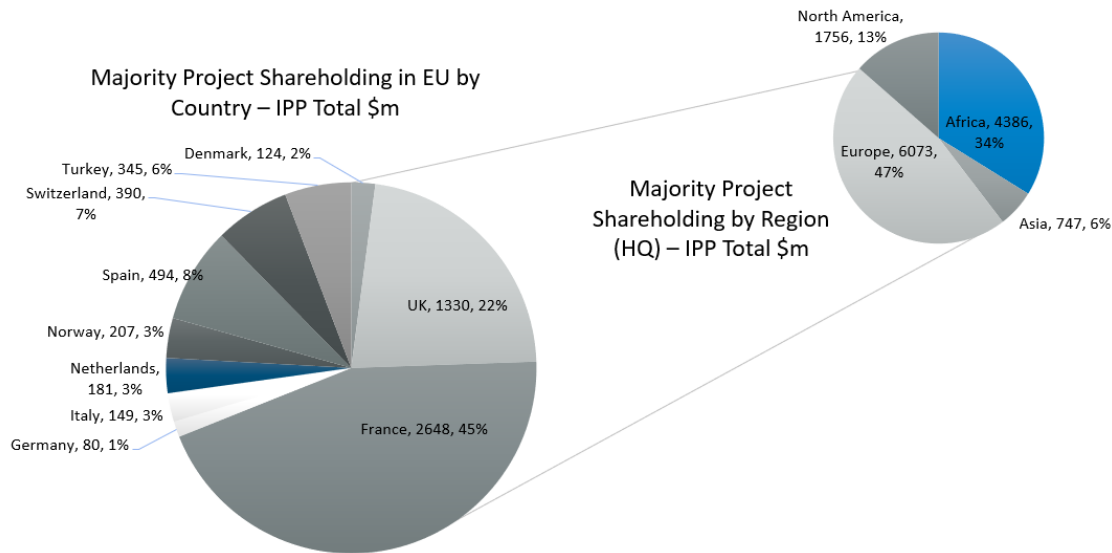


Figure 6: SSA Renewables IPPs equity origin (cumulative 1990-2024)

South Africa (SA) often skews regional investment trends. For instance, the dominance of European equity investment in renewables is amplified when SA is included. Conversely, African shareholding in the sector drops when SA is excluded. It is therefore helpful to exclude SA when trying to understand investment trends in the rest of SSA.

When the analysis is narrowed to actual equity contributions (Figure 7) rather than attributing the full project size to the majority shareholder, North American investors were prominent in the 2000–2009 period, but since the mid-2010s European investors have been the dominant equity contributors, with a particularly strong year in 2018 featuring projects in 15 different African countries.

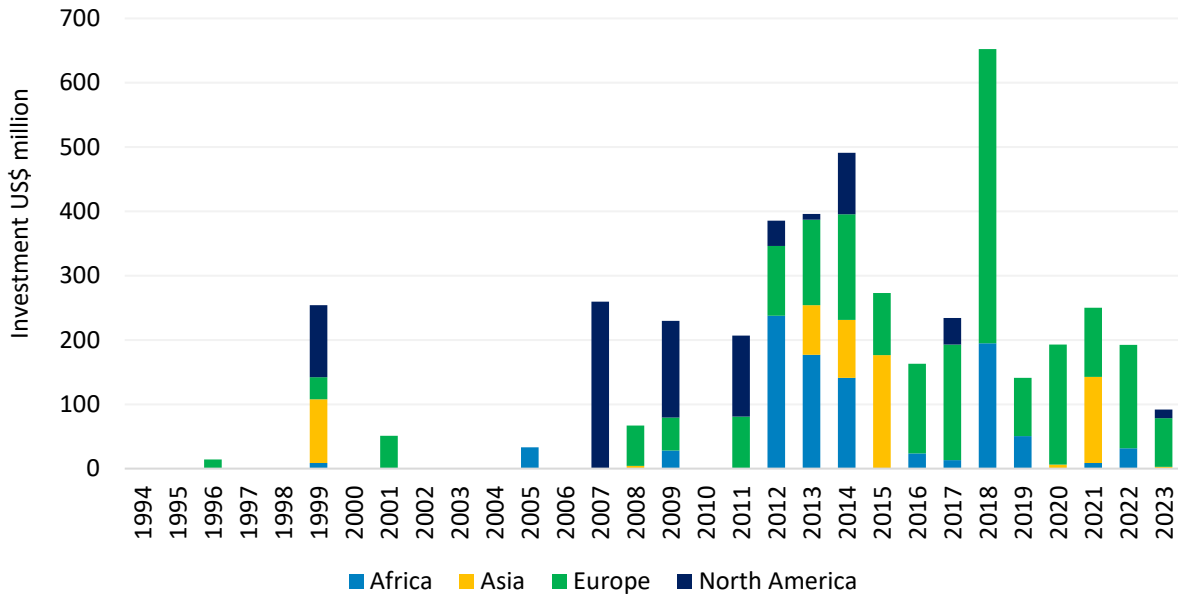


Figure 7: Origin of actual IPP equity contribution in SSA ⁶

Debt

On the debt side, DFIs are central (Figure 8) – and European DFIs are particularly prominent (Figure 9).

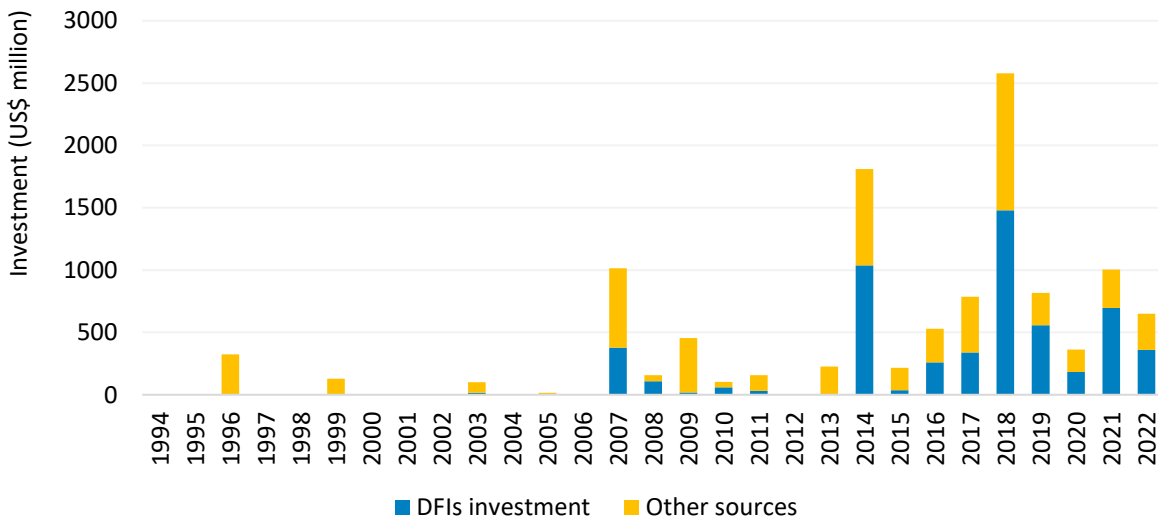


Figure 8: SSA RE IPP Debt - DFI vs other sources

⁶ Figure 7 refers to the actual equity capital (in US\$ million) provided by the majority equity shareholder in each project. The contribution is calculated as: Equity of project (%) x Majority shareholder’ stake (%) x Total project cost. Due to data limitations, this analysis covers only approximately 40% of SSA IPP projects with available equity information.

PFL's tracking of real DFI capital contributions shows that, across Sub-Saharan Africa, European DFIs provide more IPP debt capital than multilateral and other regional DFIs combined, even after allowing for partial under-reporting due to syndicated deals. European DFIs (including FMO, Proparco, EIB, BII, KfW/DEG, AFD, Norfund, Finnfund, BIO, EKF and others) tend to focus strongly on renewable energy: more than three-quarters of their IPP debt portfolio goes into renewable-based projects, whereas non-European DFIs display a notable tilt toward fossil fuel generation outside South Africa.

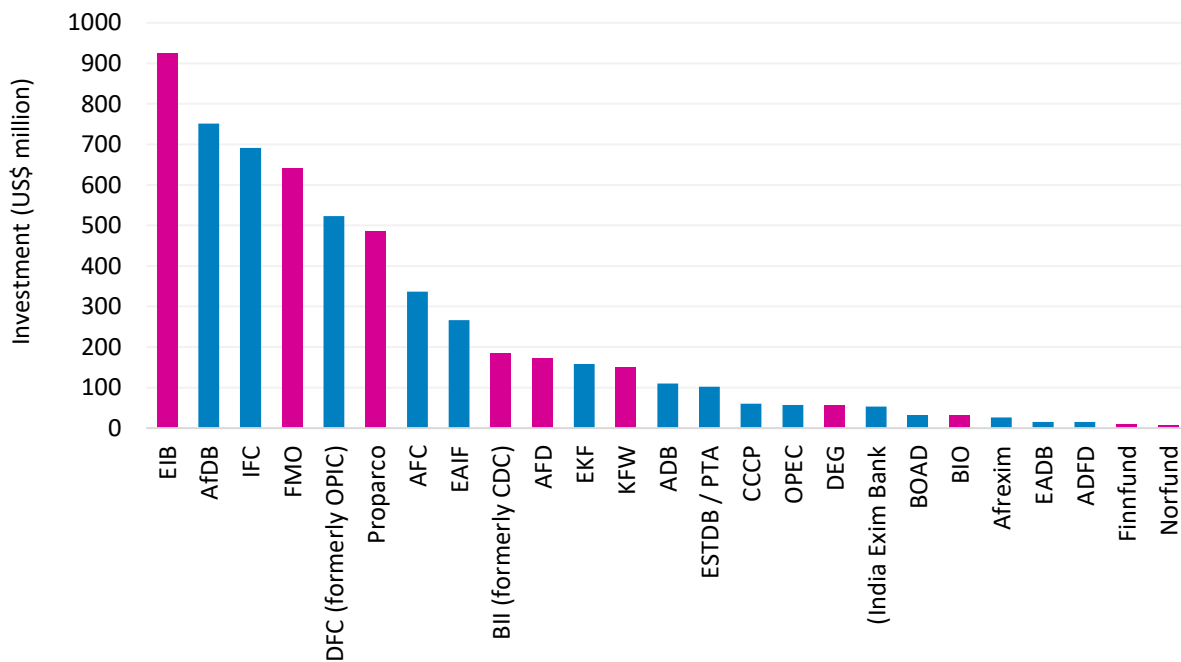


Figure 9: SSA RE IPP DFI debt origin⁷

Engineering, procurement and construction - EPC

The EPC segment tells a similar story. In the early 2000s, Asian EPC firms led the construction of IPP projects in Sub-Saharan Africa. Since around 2015, however, European EPC firms have emerged as the dominant players, particularly in renewable and donor-aligned projects. Asian EPC firms retain a strong presence, especially in fossil projects outside South Africa, where their fossil EPC capacity is roughly twice their renewable EPC capacity (but still less than European EPCs). African EPC firms – mostly South African – play a modest but growing role, especially in renewables, though their overall share remains significantly smaller than their European and Asian counterparts.

⁷ Recorded figures likely understate actual volumes due to unreported data; true totals may be up to twice as large. Despite these gaps, the available sample remains broadly representative. Some DFIs typically only lend to public institutions; when support reaches IPPs, it is often channelled through local DFIs or commercial banks. In such cases, the debt would be recorded under those intermediaries rather than directly under the originating DFI.

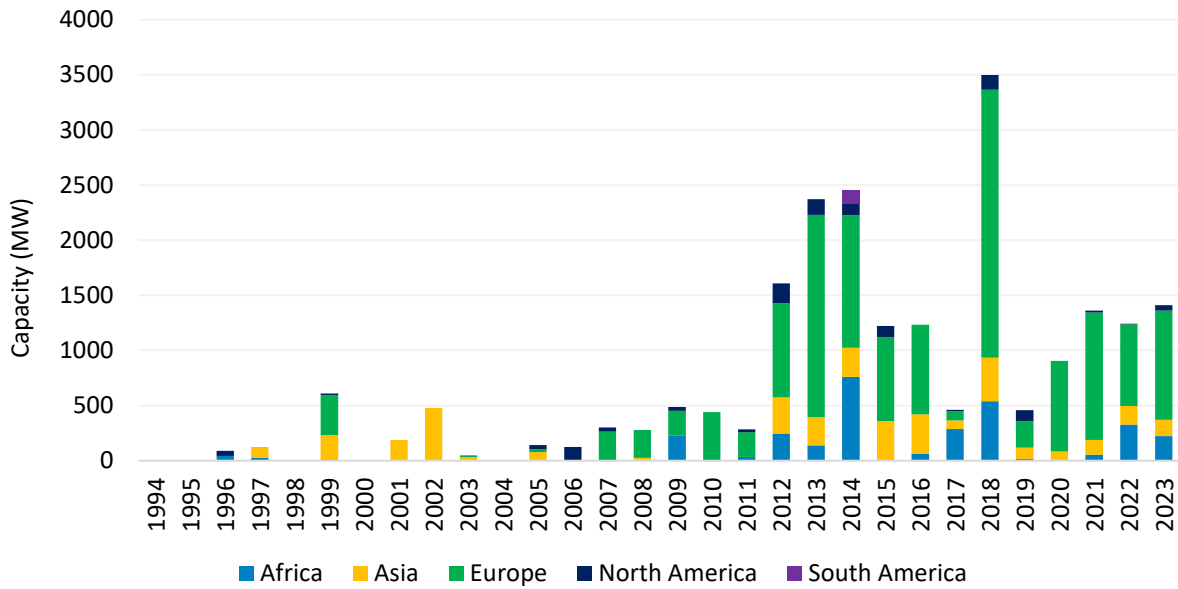


Figure 10: SSA IPP EPC Firm Origin – All sources

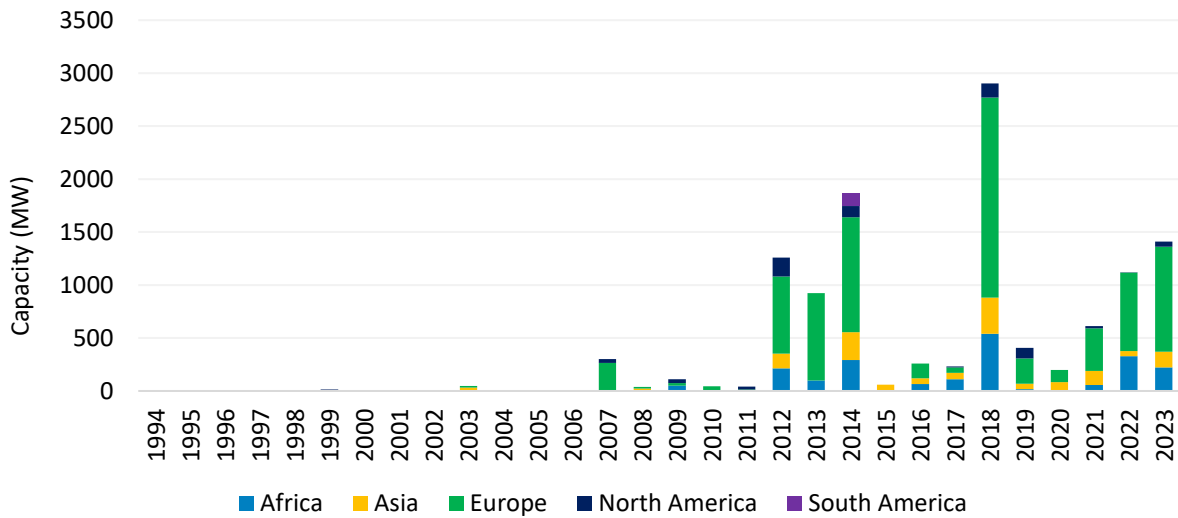
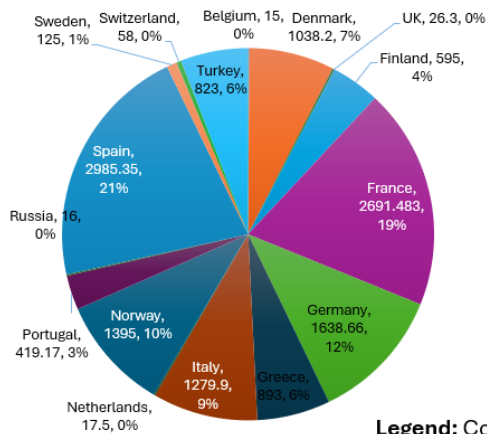
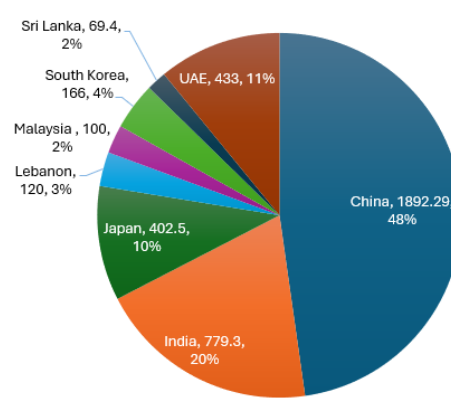


Figure 11: SSA IPP EPC Firm origin – Renewables

Breakdown of total European EPC participation



Breakdown of total Asian EPC participation



Legend: Country, MW, % Share

Figure 13: Geographic origin of EPC firms in SSA RE IPP according to installed capacity (MW): Europe vs. Asia (cumulative, 1990 – 2024)

Taken together, these patterns underline three points:

- Europe is already deeply embedded in Africa's renewable IPP ecosystems as equity sponsor, lender and EPC contractor.
- African developers and firms are active partners, but often face capital constraints, limited access to long-tenor finance and exposure to early-stage development risk.
- There is a strong alignment between African development needs and European industrial and strategic interests: scaling renewable IPPs offers opportunities for both continents.

What Needs to Happen Next: Priorities for Scaling Renewable IPPs across Africa

The analysis above points to a clear conclusion: public finance alone cannot close Africa's power investment gap, and private renewable IPPs are already the main vector for new capacity in many markets, albeit at much too small a scale. The question is therefore less **whether** to scale renewable IPPs, and more **how** to do so in a way that maximises developmental impact and leverages Europe's strengths.

Several priorities emerge:

First, strengthen and sustain competitive procurement. Countries that have implemented transparent, repeatable auction programmes have delivered more capacity at lower prices. Support to design, launch and institutionalise such programmes – including standardised documentation, clear

qualification criteria, and robust evaluation processes – remains one of the highest-impact interventions donors can make.

Second, improve PPA bankability and payment security. Even well-run tenders will not lead to financial close if project contracts are not bankable. Development partners can help standardise PPA templates, support regulators and ministries in striking a balanced risk allocation and deploy guarantee instruments and liquidity backstops that address offtaker and sovereign risk without displacing private capital.

Third, use DFI instruments to crowd in – not crowd out – private capital. The data show that DFIs are already among the largest providers of IPP debt, especially in renewables. Going forward, their focus should increasingly be on leveraging their balance sheets to mobilise commercial and local-currency lenders – through syndications, first-loss tranches, mezzanine instruments and credit enhancements – rather than fully financing projects on their own books. Lending to public entities should focus on enabling critical infrastructure (storage, grid, etc.) and a few game-changer large generation (mainly hydro) projects, while most other lending should be private sector facing.

Fourth, support early-stage project development. A recurring bottleneck in many frontier markets is the absence of a pipeline of bankable projects. Grant-funded or recoverable early-stage development facilities, implemented in partnership with African and European developers, can help move projects from concept to bankable design, especially where local developers lack the capital to absorb early-stage risk.

Fifth, invest in grid readiness for IPPs. IPPs cannot connect to grids that do not exist or cannot evacuate their power. Donor finance – whether from European DFIs, the EU budget or other multilateral instruments – will continue to be indispensable for transmission and distribution. Prioritising grid investments that unlock clusters of IPP projects, and coordinating grid planning with auction roadmaps, can dramatically increase the effectiveness of both public and private spending.

Sixth, deepen African–European partnerships across the value chain. The data show European and African firms already working together as equity partners, lenders and contractors. Targeted support to these partnerships – for example through blended project-development facilities, matchmaking platforms, and capacity-building for African sponsors and EPCs – can help shift more value creation onto the continent while preserving the benefits of European technology and finance.

Finally, initiatives such as **Global Gateway** should be deliberately focused on frontier markets where the need is greatest and where the enabling environment can realistically be improved. That means prioritising countries with large access gaps and growing demand, but where reforms, auction programmes and regulatory strengthening have a reasonable political window.

Bottom Line

Africa's power systems face a dual imperative: closing a multi-billion-dollar annual investment gap and choosing a path that is consistent with both universal access and a low-carbon future. The least-cost expansion pathway is one of rapid renewable deployment – but it requires a level of investment that cannot be met by public actors alone.

In practice, this means that scaling renewable IPPs must become a central pillar of African power strategies. For Africa, this is a developmental imperative: it is about lights on, jobs created and industries powered. For Europe, it is also a strategic and industrial opportunity: European DFIs, sponsors and EPC firms are already key players in the continent's IPP markets, and have a strong interest in a stable, rules-based investment environment.

With targeted support to procurement, regulation, grid readiness and risk-mitigation instruments, African governments and European partners can together unlock a much larger volume of private renewable investment – turning today's scattered successes into a structural trend.

References

African Development Bank & COMESA. (2024). *Estimating Investment Needs for the Power Sector in Africa*. Available at: <https://www.afdb.org/en/documents/estimating-investment-needs-power-sector-africa-2023-2030-africa-report>.

African Export Import Bank. (2024). *State of Play of Debt Burden in Africa 2024: Debt Dynamics and Mounting Vulnerability*. Cairo: Afreximbank. Available at: <https://www.afreximbank.com/reports/state-of-play-of-debt-burden-in-africa-2024-debt-dynamics-and-mounting-vulnerability/>

Balabanyan, A., Y. Semikolenova, A. Singh, and M. A. Lee. (2021). *Utility Performance and Behavior in Africa Today (UPBEAT): SUMMARY REPORT*. ESMAP Papers. Washington, DC: World Bank. Available at: https://www.esmap.org/Utility_Performance_and_Behavior_in_Africa_Today

BloombergNEF. (2024). *Africa Power Transition Factbook 2024*. BloombergNEF and Bloomberg Philanthropies. Available at: <https://assets.bbhub.io/professional/sites/24/Africa-Power-Transition-Factbook-2024.pdf>

IEA, IRENA, UNSD, World Bank & WHO. (2025). *Tracking SDG7: The Energy Progress Report*. Washington DC: World Bank. Available at: <https://trackingsdg7.esmap.org/downloads>

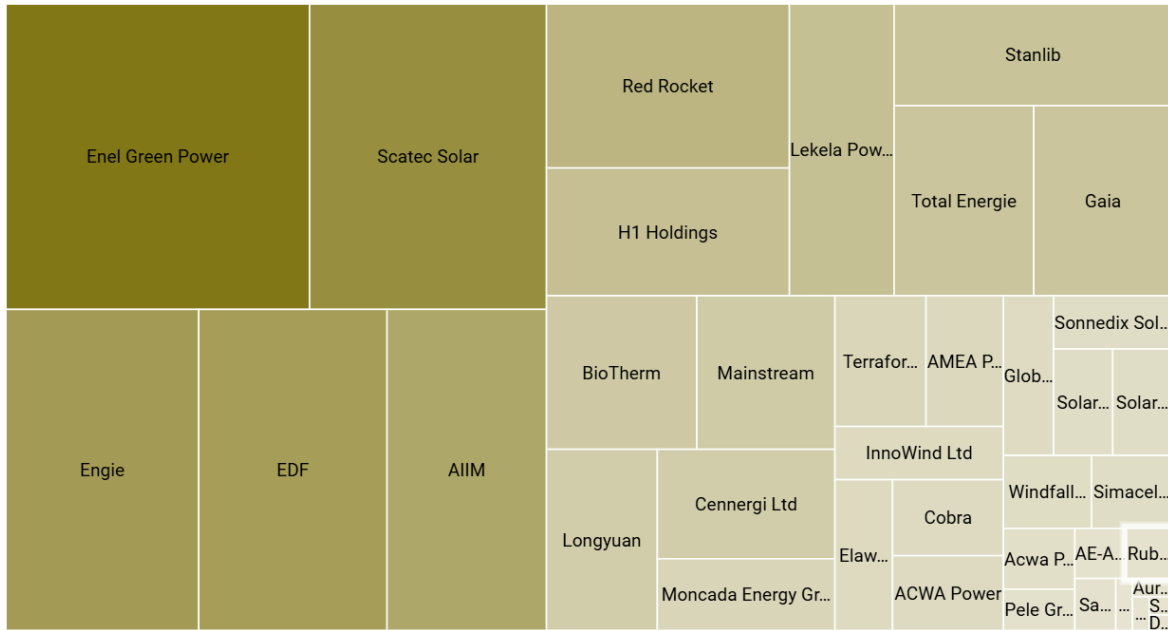
Twesigye, Peter. (2024). *Understanding Electricity Utilities in Sub-Saharan Africa: The Role of Civil Society in Improving Performance, Governance, and Accountability Relationships*. London: Oxfam. Available at: <https://policy-practice.oxfam.org/resources/understanding-electricity-utilities-in-sub-saharan-africa-the-role-of-civil-soc-621616/>

UN Conference on Trade and Development (UNCTAD), (2025). *A World of Debt: It is Time for Reform*. New York: UNCTAD. Available at: <https://unctad.org/publication/world-of-debt>

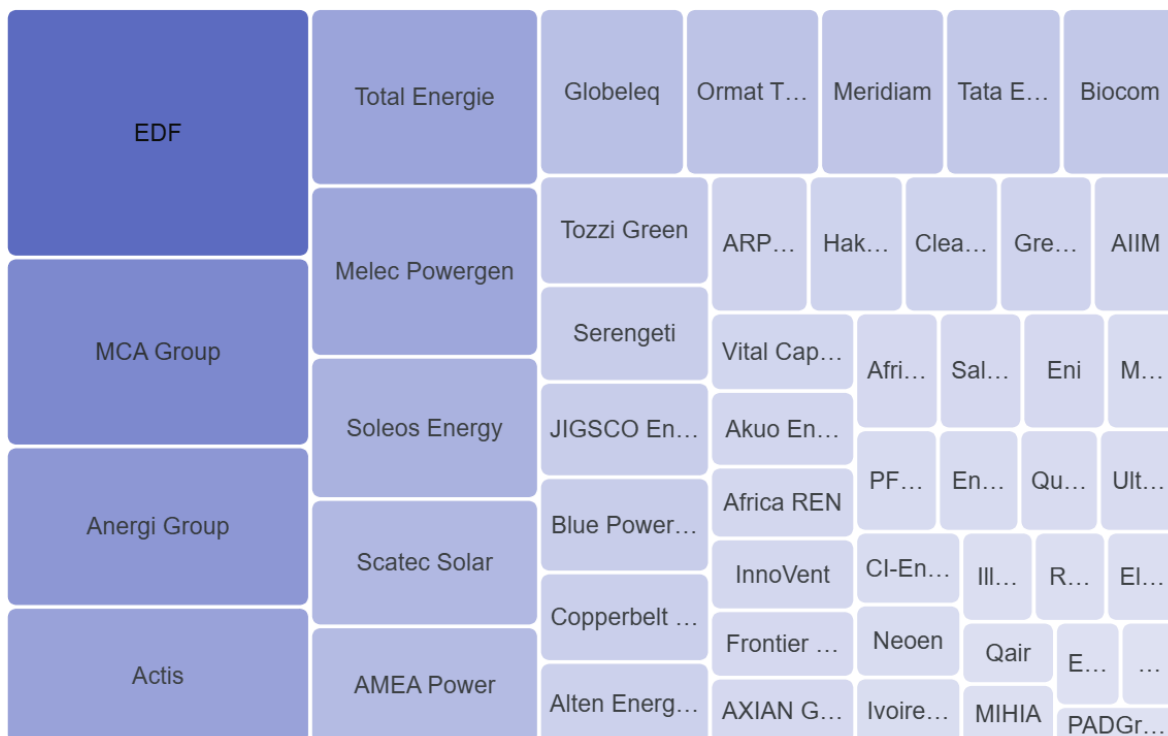
U.S. Energy Information Administration (EIA) (2024) *International Electricity Data*. Available at: <https://www.eia.gov/international/data/world/electricity/> (Accessed: 21 November 2025).

Annex: Leading majority project shareholder by IPP total investment for RE projects

South Africa



Rest of SSA





GET.transform c/o Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH
Friedrich-Ebert-Allee 32 + 36
53113 Bonn, Germany
E info@get-transform.eu
I www.get-transform.eu
I www.giz.de

GET.transform is co-funded by

