Clifford Chance

BRIEFING

Sustainable infrastructure for a connected Africa: Key takeaways

4 December 2025

Clifford Chance co-hosted a conference on sustainable infrastructure for a connected Africa in collaboration with the African Corporate & Government Counsel Forum (ACGC) in November 2025. In this briefing we highlight the key takeaways from the event.

1. GOVERNMENTS AS A CATALYST FOR SUSTAINABLE INFRASTRUCTURE

African governments must prioritise integrated planning so that the next generation of power projects are developed with transmission infrastructure and new road and rail projects are developed with fibre and connectivity infrastructure. Integrated planning can help mitigate bankability concerns that arise from individual, fragmented projects, lower the cost of project development and even stimulate private investment in African infrastructure.

2. SUSTAINABLE ENERGY TRANSITION AND ENERGY ACCESS

Many African countries face a dual challenge - a lack of energy access that means that up to 600 million African residents lack reliable access to electricity and, simultaneously, many populations are at risk from the effects of climate change. This can lead to a tension between the need to address the climate emergency and the need to promote energy access. This is why it is acknowledged that the energy transition in Africa must be sustainable.

It was contended that aspects of individual countries' energy programmes have evolved to align with the priorities of external providers of capital over the competitive advantages of such countries. Still, as both external and domestic capital will need to be mobilised to bridge the energy access gap, transparent dialogue between governments, multilateral institutions and private investors will be critical to find a balance between these imperatives that unlocks financing for energy projects in Africa.

3. BROADENING CAPITAL POOLS

Development finance institutions (DFIs) have long been a critical funder of energy and infrastructure projects in Africa – leveraging both their balance sheet and their relationships with member states to provide equity and debt capital, guarantee products and technical and policy related assistance to projects. These interventions de-risk projects and, in the best case, "crowd-in" commercial lenders and institutional investors.

The market is beginning to experience a widening of capital sources, with private capital allocators such as pension funds and infrastructure funds emerging as important sources of both equity and debt capital to projects in Africa. While further legal and regulatory reform is required to unlock further amounts of capital more broadly, more opportunities are already emerging for private investment into infrastructure on the continent.

Increasingly, investors are domestic, i.e. continental African, as well as external. There has always been an ambition to unlock local capital pools, especially given that domestic investors' familiarity with local context may position them better, when compared with external investors, to address "country risk" (i.e. political, economic and foreign exchange risks). Such ambition underpins regional programs such as the African Union's Programme for Infrastructure Development in Africa. Other factors, including the "African sovereign debt crisis" and the tensions highlighted above vis-à-vis energy transition strategy, have made this ambition even more of a priority. Regulatory reforms and innovative approaches, such as DFI-led local currency project guarantees, will be critical to unlock domestic African investor pools.

4. A DIFFERENT VIEW OF ESG

"ESG" has been the subject of much discussion and pushback globally, including from African governments. However, there is no doubt that ESG is central to delivering successful projects in Africa, including because (often vulnerable) host communities directly experience the environmental and social impacts of energy and infrastructure projects. The governance limb of ESG is particularly critical in countries where regulatory regimes and project structures may be nascent or substantively untested.

Still, ESG standards may need to be better adapted for the unique contexts in which African projects are being developed and (unadapted) internationally developed standards may not always be appropriate. Within an African context, localised or adapted ESG standards may mean broadening the focus of the standards to include the "S" (sustainability) and the "G" (governance) components or incentivising industrial as opposed to purely extractive projects.

5. CHANGING THE PERSPECTIVE OF AFRICAN RISK

While investors in African and other emerging market projects may face certain unique risks (which increase borrowing costs), African borrowers may nevertheless be subject to risk premiums that are higher than actual default rates should require. Data transparency and consistent investor engagement by African governments can, together with the implementation of regional initiatives such as the Africa Credit Rating Agency, contribute to changing the narrative.

The preferred creditor status of certain African DFIs has come under scrutiny in recent sovereign debt restructurings, including on the basis that the owners of such institutions include non-sovereigns. This scrutiny has emerged notwithstanding recognition by the borrower countries of the DFI lenders' preferred creditor status, which entitles the DFIs to be repaid ahead of other lenders which do not benefit from similar status, following an event of default and/or debt restructuring. Such challenges are likely to increase the costs of borrowing of these DFIs with negative downstream effects for African projects.

6. A NOTE ON TRANSBOUNDARY PROJECTS

Large, multi-country projects such as interconnectors, trans-boundary corridors[1], railways and bridges can be feasible but will require exceptional political momentum, harmonized standards and effective coordination between the relevant countries. It is hoped that these types of projects will be facilitated by the implementation of the African Continental Free Trade Area (AfCFTA) which would create a unified market of 1.3 billion people by harmonising standards and reducing legal friction.

[1] Clifford Chance is advising lenders on the financing of the refurbishment of the Lobito Railway Corridor in Angola.

Jennifer Chimanga
Partner, London

jennifer.chimanga@cliffordchance.com
+44 207006 2932

Praveen Jagadish
Partner, London

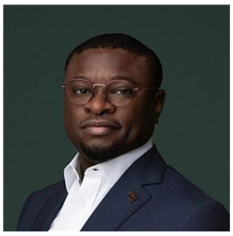
praveen.jagadish@cliffordchance.com
+44 207006 4330

Gibbs Johnson
Consultant, Dubai

gibbs.johnson@cliffordchance.com
+971 4503 2685

Daniel Mutisya
Partner, London

daniel.mutisya@cliffordchance.com
+44 207006 1239



Kayode Oladipo
Partner, London

kayode.oladipo@cliffordchance.com
+44 207006 4401

Olamide Oladosu
Partner, London

olamide.oladosu@cliffordchance.com
+44 207006 2016

Ope Osinubi
Senior Associate, London

ope.osinubi@cliffordchance.com
+44 207006 8251

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

cliffordchance.com

Clifford Chance, 10 Upper Bank Street, London, E14 5JJ

© Clifford Chance 2025

Clifford Chance LLP is a limited liability partnership registered in England and Wales under no. OC323571. The firm's registered office and principal place of business is at 10 Upper Bank Street, London E14 5JJ. The firm uses the word "partner" to refer to a member of Clifford Chance LLP or an employee or consultant with equivalent standing and qualifications.

If you do not wish to receive further information from Clifford Chance about events or legal developments which we believe may be of interest to you, please either send an email to nomorecontact@cliffordchance.com or by post at Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London E14 5JJ

Abu Dhabi • Amsterdam • Barcelona • Beijing • Brussels • Bucharest** • Casablanca • Delhi • Dubai • Düsseldorf • Frankfurt • Hong Kong • Houston • Istanbul • London • Luxembourg • Madrid • Milan • Munich • Newcastle • New York • Paris • Perth • Prague** • Riyadh* • Rome • São Paulo • Shanghai • Singapore • Sydney • Tokyo • Warsaw • Washington, D.C.

*AS&H Clifford Chance, a joint venture entered into by Clifford Chance LLP.

**Clifford Chance has entered into association agreements with Clifford Chance Prague Association SRO in Prague and Clifford Chance Badea SPRL in Bucharest.

Clifford Chance has a best friends relationship with Redcliffe Partners in Ukraine.