



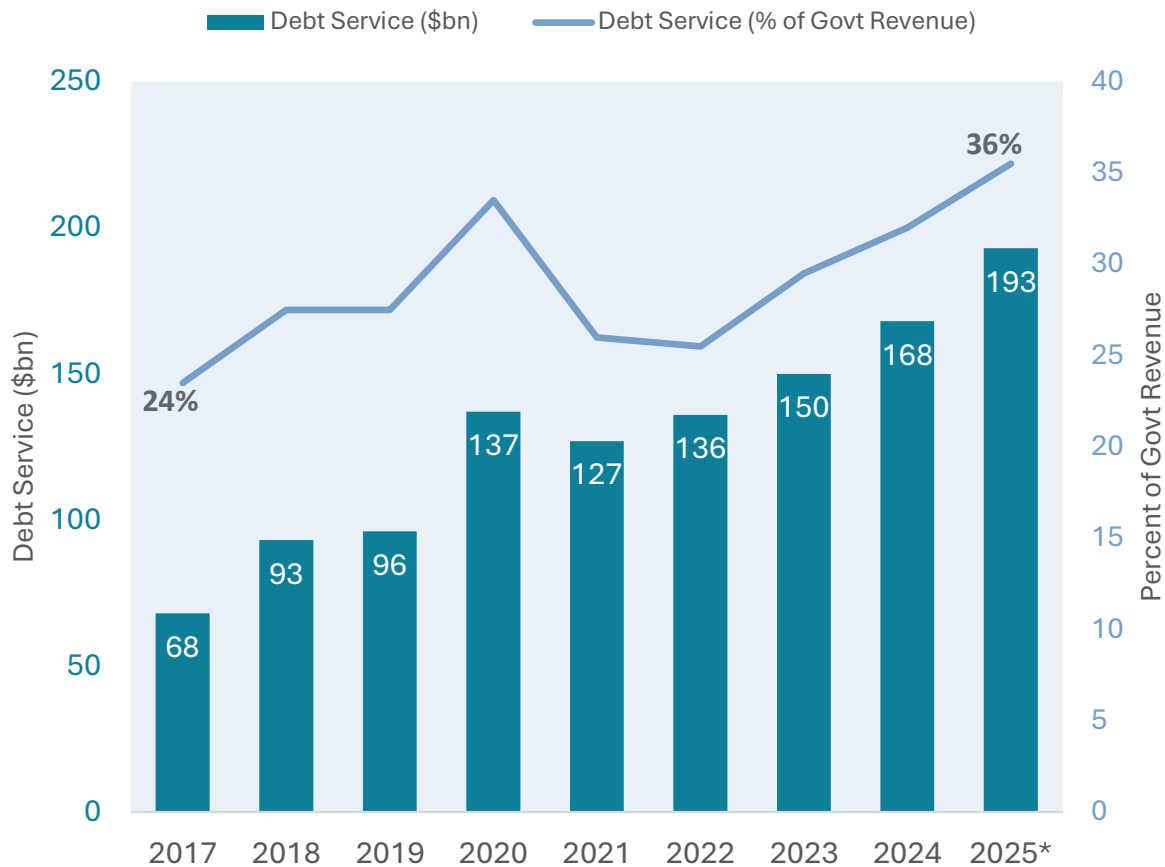
## Debt, Disruption, and Opportunity: Africa's Financing Frontier

Ziyaad Azeer, CFA

May 2026

# More Revenue Going to Debt Less Going to Development

## Africa Debt Service (Principal and Interest)

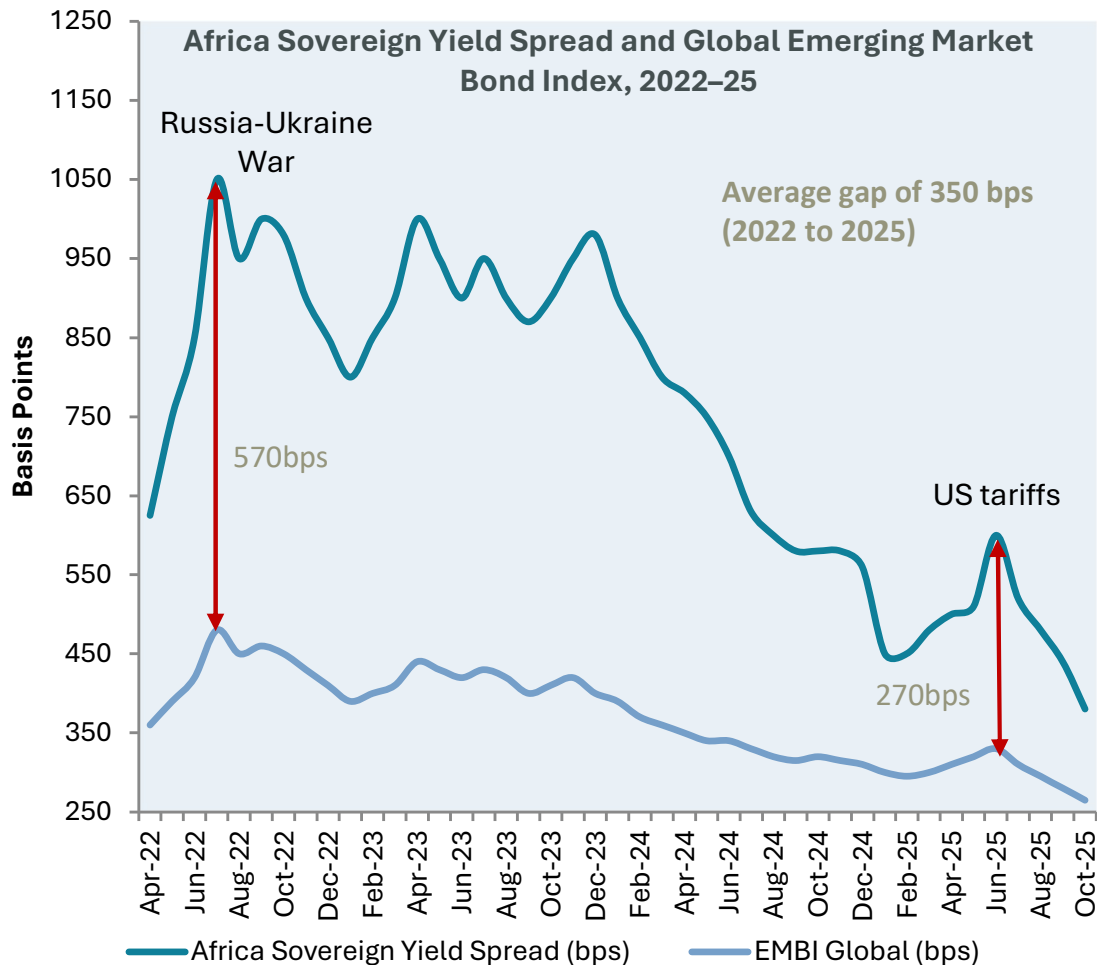


## Where The Money Cannot Go

-  Healthcare spending
-  Energy & infrastructure projects
-  Education investment
-  Climate adaptation capacity

# Perception And Pricing Do Not Always Match Reality

*A systematic deviation from fundamental value — and what it is consuming*



## Ratings are backward-looking

Markets reward long histories more than recent improvements.

## Stress amplifies regional risk

In periods of uncertainty, Africa is often sold as a bloc.

## Progress is unevenly recognized

Country-level improvements do not always feed quickly into pricing.

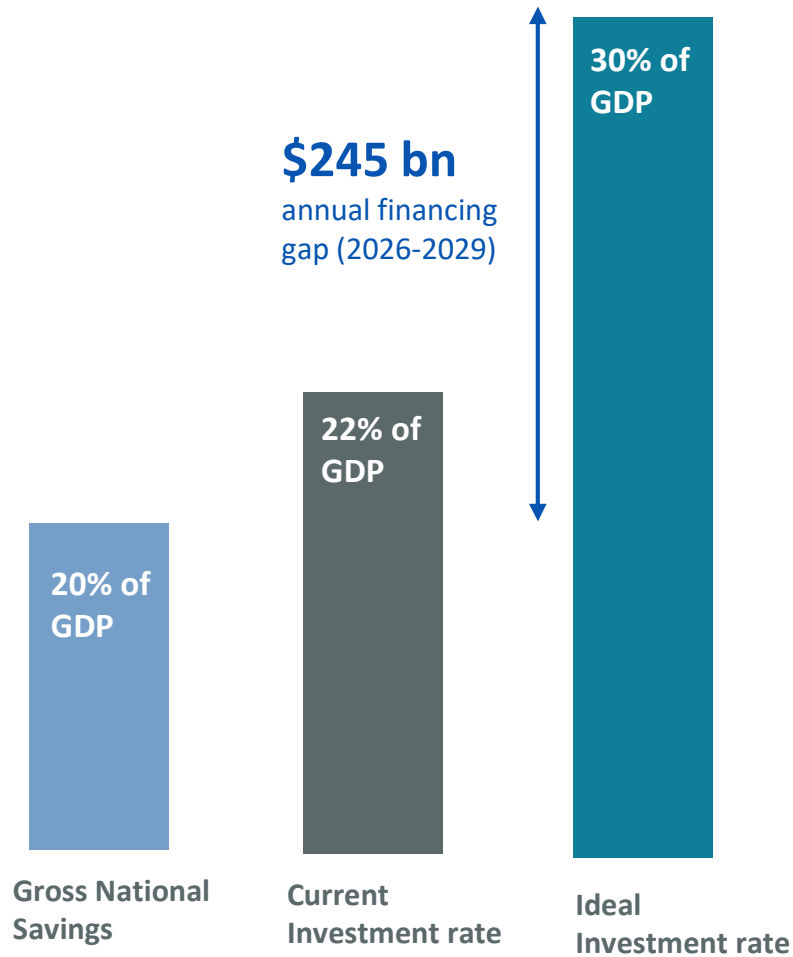
# Some Concerns Are Legitimate The Question Is Whether They Are Permanent

*Distinguishing current barriers from structural ones*

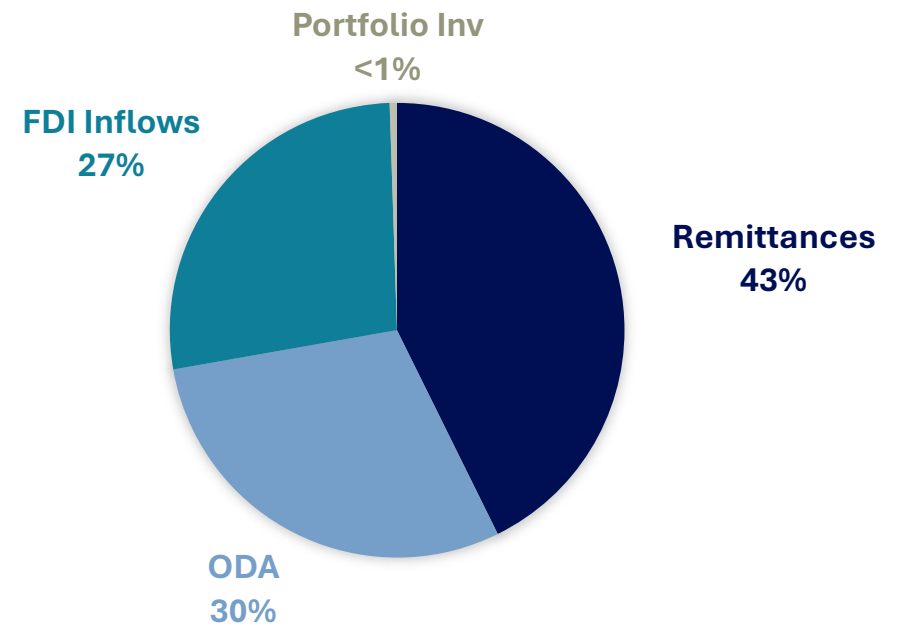
Constraint	Today	Direction
Market Depth	Thin and less liquid markets	Secondary markets improving
Currency Risk	FX volatility impacts returns	Hedging tools expanding
Data Quality	Uneven reporting standards	Transparency improving
Governance	Significant country variation	Markets becoming more differentiated

# The Capital Africa Needs Is Still Missing

### Investments and savings in sub-Saharan Africa (2026e)



### External Financial Flows to Africa 2018–24



# The Opportunity Exists

*Six drivers. All measurable. All accelerating. All requiring capital to reach their potential.*

## Demographics

**2.5bn people  
by 2050**

## Young Urbanising Population

**Median age 20  
world's youngest  
population**

## Domestic Demand-Led Growth

**\$2.5tn consumer  
spending by 2030**

## Technology & Innovation

**500+ active startups  
across 40 countries**

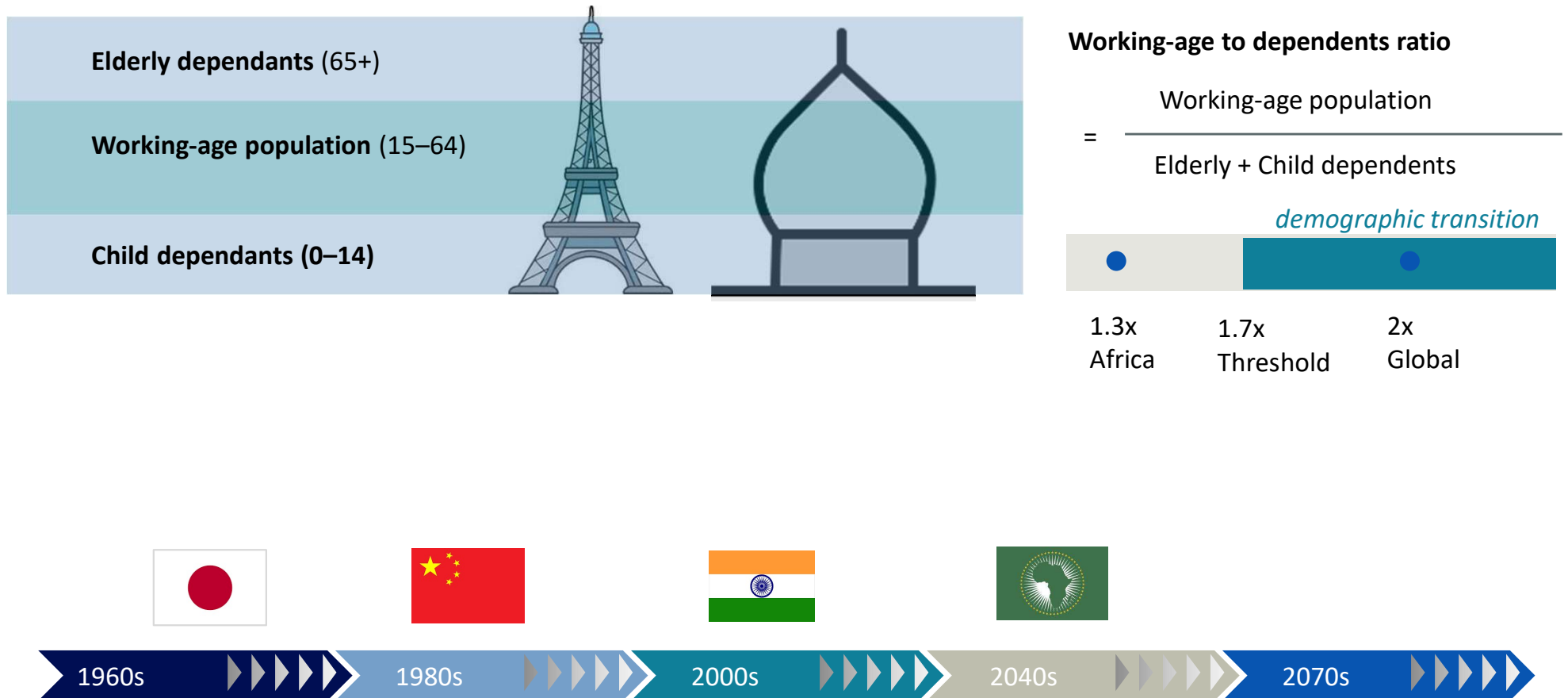
## Digital Infrastructure

**65% of all global mobile  
money — processed in  
Africa**

## Intra-Africa Trade

**AfCFTA — 1.4bn  
people, > \$3tn economy**

# When Does Demography Begin Translating Into Growth?

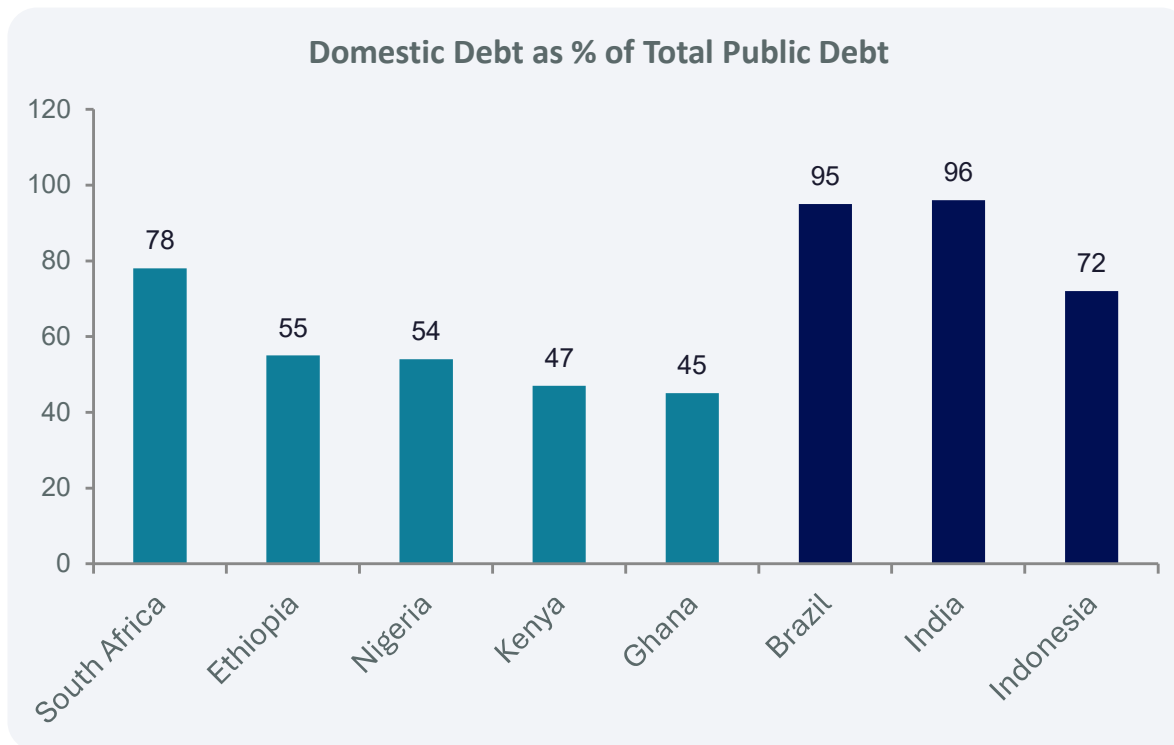


# The Preparation Window is Now

Factor	What happens	What it means	Timeline
<b>Demographics</b>	<b>Working-age to dependent ratio crosses critical threshold</b>	<b>The demographic window opens</b>	<b>2040-2045</b>
Healthcare	Child mortality falls	The fertility transition starts the demographic engine	2025–2035
Agriculture	Productivity gains begin freeing 60% of the workforce	The foundation of structural transformation	2025–2045
Urbanisation	Africa becomes majority urban	A consumer class emerges at scale for the first time	2035 - 2040
Energy	Solar revolution compresses electrification	Manufacturing becomes viable at scale	2030–2040
Education	Quality payoff arrives	Human capital becomes productive at scale after 15–20 year investment lag	2035–2050
Governance	A growing middle class demands better institutions	Governance improves from the bottom up — not the top down	2030–2040

# The Foundation That Needs To Be Built Before The Window Closes

*Africa's financial destiny is currently set in markets thousands of miles from the economies being priced*



## Preparing The Financial System For Scale

01 Monetary Credibility

02 Domestic Institutional Investors

03 Transparent Issuance

04 AfCFTA Integration

**Countries With Deeper Domestic Markets Were More Resilient During The 2022 Rate Shock**

# The Tools Exist Scaling Them Is The Real Challenge

## Debt-for-Nature Swaps

Seychelles 2016	\$21.6m	First of its kind — marine conservation fund established
Gabon 2023	\$500m	Largest in Africa — \$163m to conservation over 15 years
Ecuador (comparator)	\$1.6bn	Demonstrates achievable scale with right structure

Limit: Transaction costs high. 18–24 months to close.

## Blended Finance

Novastar Ventures (EA)	DFI first-loss	Mobilized commercial LP participation
Scaling Solar — IFC	\$100m+	Solar viable at below grid parity — took 3+ years
SEFA (DBSA)	R500m first-loss	Lowered SME borrowing costs materially

Limit: Expensive and slow. Inefficient at smaller scale..

## Green & Blue Bonds

Egypt sovereign	\$750m (2020)	4.5x oversubscribed — deep ESG demand confirmed
Morocco sovereign	\$115m (2016)	First African sovereign green bond — benchmark
Access Bank Nigeria	\$41m (2019) \$50m (2022)	Both oversubscribed — corporate market works

Limit: Structuring costs \$1–3m, 12–18 months. Inefficient at smaller scale.

## Diaspora Bonds

Israel (comparator)	\$40bn since 1951	Gold standard — credibility + trust + simple product
Kenya M-Akiba	\$10m	70% first-time investors. Concept proven. Scale absent.
Nigeria diaspora bond	\$300m (2017)	Relatively high funding cost for a patriotic retail product

Limit: FX risk deters retail. Minimums too high. Not mobile-first.

# The System Needs To Be Fit For Purpose — For The Moment We Are In

*Four reforms. All technically achievable. All requiring sustained political will.*

## 01 Credit Rating Reform

### NOW

- Backward-looking methodologies
- Weak recognition of reform trajectories

### NEEDED

- Greater trajectory sensitivity
- More context-specific assessment

### PROGRESS

- AU Common Position published 2024.
- UNCTAD review underway..

## 02 MDB Capital Adequacy

### NOW

Lending headroom sitting unused while African governments access markets at elevated rates..

### NEEDED

- Full implementation of G20 Eminent Persons Group recommendations.
- No new shareholder capital required.

### PROGRESS

- World Bank moved partially. Technical case comprehensively made.

## 03 Common Framework Reform

### NOW

- Too slow. Zambia took three years.
- No mandatory private sector participation.

### NEEDED

- Binding timelines.
- Mandatory private sector involvement.
- Standstill protections for debtors.

### PROGRESS

- Minimal.
- G20 communiqués acknowledge gaps.
- Political will remains insufficient.

## 04 Voice & Representation

### NOW

Africa holds 5% of IMF voting share despite being its largest client group.

### NEEDED

- Quota reform.
- AU G20 membership converted from presence to substantive influence.

### PROGRESS

- AU G20 membership since 2023. First time Africa in the room.
- Influence is the next step.

## For Investors

- Long-term structural trends remain intact
- Timing and market entry matter
- Differentiation across countries becomes critical

## For Policymakers

- The preparation window is already open
- Domestic capital markets must deepen
- Human capital and infrastructure investment cannot be delayed

## For Institutions

- Financing architecture must adapt faster
- Reform implementation matters more than new proposals
- Coordination and execution remain the key constraints



Questions

**Thank You**



**Phone:** +230 5503 8878



**Website:** [www.blueonyx-consulting.com](http://www.blueonyx-consulting.com)



**Email:** [zazeer@blueonyx-consulting.com](mailto:zazeer@blueonyx-consulting.com)



**LinkedIn:** [Ziyaad Azeer](#)