



ASSOCIATION OF AFRICAN DEVELOPMENT FINANCE INSTITUTIONS

2026 ANNUAL WORKSHOP

May 24-29, 2026 | Brazzaville, Republic of Congo

*"Augmenting Sovereign Finance in Africa:
DFIs Unlocking Growth and Resilience through the New African
Financial Architecture for Development (NAFAD) "*



Partner



Co-hosts



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Executive Summary

The 2026 Annual Workshop of the Association of African Development Finance Institutions (AADFI) was held on the theme “*Augmenting Sovereign Finance in Africa: DFIs Unlocking Growth and Resilience through the New African Financial Architecture for Development (NAFAD)*” on May 25, 2026, at the Kintélé International Conference Center, in Brazzaville, Republic of Congo. The workshop was hosted by AADFI members in Brazzaville, Republic of Congo – Fonds d’Impulsion, de Garantie et d’Accompagnement (FIGA) and Banque de Développement des États de l’Afrique Centrale (BDEAC) – and supported by the African Development Bank (AfDB).

The workshops’ main objective was to promote strategic dialogue and collective commitment to creating a financial architecture that recognizes and is tailored to the African context, facilitating the flow of resources to Africa while acknowledging the importance of sovereign finance within the framework of the New African Financial Architecture for Development (NAFAD).

The opening ceremony was graced by Mr. Christian Yoka, Minister of Finance, Budget, and Public Portfolio of the Republic of Congo. Other dignitaries at the opening ceremony included Dr. Patricia Ojangole, Chairperson of AADFI and Managing Director of Uganda Development Bank (UDB) Ltd.; Mr. Dieudonné Evou Mekou, President of the Banque de Développement des États de l’Afrique Centrale (BDEAC); Mr. Ahmed Attout, Director of the Private Financial Sector Development Department (PIFD) of the African Development Bank (AfDB); and Mr. Dayi Allaire Branham Kintombo, Chief Executive Officer of the Fonds d’Impulsion, de Garantie et d’Accompagnement (FIGA).

More than 214 delegates attended the event, including Chief Executive Officers (CEOs) and senior executives of African development banks and financial institutions, policymakers, and strategic partners. Thirty-three (33) countries worldwide were represented at the event, namely Angola, Belgium, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Côte d’Ivoire, Democratic Republic of Congo, Djibouti, Eswatini, Ethiopia, France, Gabon, Ghana, Guinea, India, Kenya, Lesotho, Libya, Malawi, Mauritania, Morocco, Namibia, Niger, Nigeria, Republic of Congo, Seychelles, South Africa, Tanzania, Togo, Uganda, and United States.



The following are summary recommendations from the annual workshop:

1. African countries should adopt African-led solutions and stronger coordination.
2. NAFAD should enable large-scale capital mobilization and efficient deployment. AADFI and its member DFIs commit to being active players in the NAFAD implementation.
3. Domestic resource mobilization should be prioritized through local-currency financing and the deepening of capital markets.
4. Market-ready financial instruments should be expanded to attract institutional investors and recycle capital.
5. African-led guarantee platforms and stronger co-financing and risk-sharing mechanisms should be institutionalized as core financial infrastructure to unlock scale. A progressive transition toward third-party guarantee and hedging ecosystems would be essential.
6. Risk perception of investment in Africa should be recalibrated through improved data transparency and standardized frameworks to structurally lower Africa's cost of capital.
7. A coordinated, large-scale approach to early-stage project preparation should be established under NAFAD.
8. AADFI should sustain efforts to reposition its member DFIs, including strengthening their capital bases and advancing regulatory and prudential reforms.
9. The AADFI should sustain the promotion of research-driven innovation and knowledge generation.



Background and Rationale

Africa's development ambitions remain significantly constrained by a persistent and widening financing gap. The continent faces an estimated annual infrastructure financing shortfall of USD 68–108 billion. Broader estimates suggest that Africa requires between USD 130 and 170 billion per year to meet its basic infrastructure needs and up to USD 181–221 billion annually to achieve the Sustainable Development Goals (SDGs).

Current infrastructure spending averages USD 75–80 billion per year, leaving a substantial and recurring deficit. This gap has far-reaching consequences, contributing to an estimated USD 500 billion in lost GDP, 74 million forgone jobs, and approximately one million lives lost annually due to inadequate infrastructure and associated socio-economic challenges.

The deficit affects critical sectors including transport networks, energy access, water and sanitation systems, digital connectivity, and agro-industrial value chains. To unlock faster economic growth and drive productive transformation, it is estimated that Africa will need to invest approximately USD 155 billion annually through 2040 in infrastructure development.

Africa also faces disproportionately high borrowing costs. Organization for Economic Co-operation and Development (OECD) studies indicate that the average cost of capital for infrastructure projects in Africa can reach 12–13%, significantly higher than in other continents. The 12–13% often highlights

sovereign borrowing, while private borrowing costs, if considered, would raise the weighted average interest rate. Rising debt service obligations and global financial volatility further constrain fiscal space and investment capacity.

These realities underscore the urgency for systemic reform. Africa must increasingly design financial instruments tailored to Africa's development priorities. Strengthening domestic financial systems, deepening capital markets, and adapting global financial rules to Africa's peculiarities would be critical to reducing the cost of capital. In response to these challenges, the African Development Bank (AfDB) has advanced the New African Financial Architecture for Development (NAFAD) as a coordinated framework aimed at mobilizing large-scale capital and investment, reducing borrowing costs, and strengthening Africa's resilience to global economic shocks.

As the continental association of African Development Finance Institutions (DFIs), the AADFI and its member DFIs are key partners in advancing NAFAD and are expected to play a central role in shaping its design and its implementation.

Accordingly, the 2026 AADFI Annual General Assembly theme addresses these critical financing and resilience issues, providing a platform for stakeholders to advance practical solutions and strategic partnerships that leverage continental initiatives such as NAFAD.



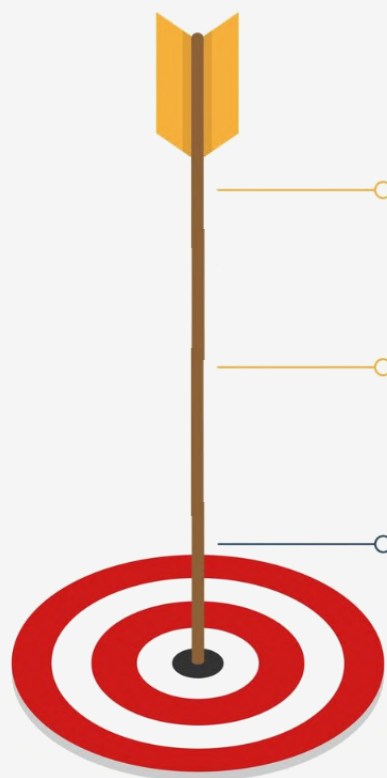
The 2026 Annual Workshop of AADFI aimed to promote strategic dialogue and collective commitment to creating a financial architecture that recognizes and is tailored to the African context, facilitating the flow of resources to Africa while also acknowledging the importance of sovereign finance.

Specifically, the workshop aimed to:

Deepen understanding of how NAFAD can be leveraged by DFIs, ensuring that DFI perspectives and priorities are recognized in its implementation and facilitating access to finance to address Africa's development financing gaps

Examine the strategic role DFIs can play through the NAFAD platform in facilitating a shift toward third-party guarantee providers as a risk-mitigation mechanism to reduce direct sovereign exposure and alleviate fiscal burden/pressure on governments.

Strengthen and institutionalize collaboration among African DFIs to accelerate early-stage project preparation by strategically leveraging NAFAD's technical, financial, and knowledge resources to improve project bankability and readiness for financing.



The event was declared open by Mr. Christian Yoka, Minister of Finance, Budget, and Public Portfolio of the Republic of Congo. Dr. Patricia Ojangole, Chairperson of AADFI and Managing Director of Uganda Development Bank (UDB) Ltd, delivered the opening remarks, while Mr. Dieudonné Evou Mekou, President of the Banque de Développement des États de l'Afrique Centrale (BDEAC), and Mr. Dayi Allaire Branham Kintombo, Chief Executive Officer of the Fonds d'Impulsion, de Garantie, et d'Accompagnement (FIGA), presented welcome addresses.

More than 214 delegates attended the event, including chief executive officers and senior executives of African development banks and financial institutions, policymakers, and strategic partners.

Thirty-three (33) countries worldwide were represented at the event, including Angola, Belgium, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Côte d'Ivoire (Ivory Coast), the Democratic Republic of Congo, Djibouti, Eswatini, Ethiopia, France, Gabon, Ghana, Guinea, India, Kenya, Lesotho, Libya, Malawi, Mauritania, Morocco, Namibia, Niger, Nigeria, the Republic of Congo, Seychelles, South Africa, Tanzania, Togo, Uganda, and the United States of America.



Program Highlights

The program highlights are as follows:

Opening Ceremony

Lead Presentation on the New African Financial Architecture for Development (NAFAD)

Plenary sessions

Session 1

Capital Mobilization – Turning Barriers into Opportunities for African DFIs

Session 2

The Role of DFIs in Using the NAFAD Platform to Facilitate a Shift Toward Third-Party Guarantee Providers To Alleviate Fiscal Burden

Session 3

Accelerating Early-Stage Project Preparation Through NAFAD



Opening Ceremony



Mr. Christian Yoka,
Minister of Finance, Budget, and Public
Portfolio of the Republic of Congo

Mr. Christian Yoka, Minister of Finance, Budget, and Public Portfolio of the Republic of Congo, in his opening address, acknowledged the challenging global geopolitical tensions, tighter financial conditions, climate shocks, and rising debt, all of which are increasing pressure on African economies. These factors have made it urgent to reduce reliance on external financing by strengthening financial sovereignty through domestic resource mobilization, integrated African capital markets, and enhanced risk-mitigation mechanisms. According to Mr. Yoka, NAFAD is a historic opportunity to build a more autonomous and resilient financial system, one that calls for stronger African solidarity, coordination, and complementarity of instruments. He looked forward to the workshop's concrete, action-oriented recommendations to strengthen DFI capacity, mobilize private investment, and reinforce Africa's economic resilience.



Dr. Patricia Ojangole,
Chairperson of AADFI and Managing Director
of the Uganda Development Bank (UDB) Ltd

Dr. Patricia Ojangole, Chairperson of AADFI and Managing Director of the Uganda Development Bank (UDB) Ltd, emphasized the 2026 Annual Workshop as a pivotal moment for African DFIs to respond collectively to mounting pressure on sovereign finance within the NAFAD framework and to ensure that Africa's capital works more effectively for Africa. She outlined four AADFI priorities, including strengthening DFI capital bases; advancing regulatory and prudential reforms, including the AADFI Prudential Standards, Guidelines, and Rating System (PSGRS); scaling co-financing and syndication; and embedding DFIs as central actors in development policy frameworks. Therefore, DFIs must act as architects of resilience and growth, leveraging NAFAD to mobilize capital at scale and deliver tangible development outcomes aligned with national and continental priorities.



Mr. Dieudonné Evou Mekou,
President of the *Banque de Développement
des États de l'Afrique Centrale (BDEAC)*

Mr. Dieudonné Evou Mekou, President of the Banque de Développement des États de l'Afrique Centrale (BDEAC), in his welcome address, acknowledged the dual challenge of Africa's financial sovereignty and its persistent infrastructure financing gap, estimated at USD 130–170 billion annually. He emphasized that beyond this quantitative gap lies a deeper structural issue: the capacity of African countries to define and finance their own development in a coherent and sovereign manner. In this context, he strongly endorsed NAFAD as a systemic response to reorganize the mobilization and deployment of African capital. He reaffirmed the BDEAC's commitment to NAFAD, positioning it as a key anchor for implementation in Central Africa and aligning it with recent milestones, including its first international credit ratings. He stressed the importance of African-led solutions, stronger institutional coordination, and improved project preparation to translate priorities into bankable projects, concluding that NAFAD offers a unique opportunity to consolidate Africa's financial system and deliver tangible, sustainable development outcomes.



Mr. Dayi Allaire Branham Kintombo,
Chief Executive Officer of the *Fonds d'Impulsion,
de Garantie, et d'Accompagnement (FIGA)*,

Mr. Dayi Allaire Branham Kintombo, Chief Executive Officer of the Fonds d'Impulsion, de Garantie, et d'Accompagnement (FIGA), while welcoming the delegates, stated that his institution's co-hosting of the AADFI Annual Ordinary General Assembly symbolized strengthened continental cooperation and strategic repositioning within Africa's development finance ecosystem, and that its membership in the AADFI was a deliberate commitment to regional integration and resource mobilization to support Africa's sustainable economic transformation.



Lead Presentation

"The New African Financial Architecture for Development (NAFAD)"

Presenter:

Mr. Ahmed Attout, Director of the Private Financial Sector Development Department, African Development Bank (AfDB)

Mr. Ahmed Attout characterized NAFAD as a fundamental strategic shift in how development finance is conceived and delivered across Africa. He underscored that Africa's persistent financing challenges – an annual financing gap exceeding USD 400 billion, shallow and fragmented capital markets, and limited access to finance for the private sector – cannot be addressed through incremental, institution-by-institution interventions.

“Africa's financing gap cannot be closed through fragmented, transaction-by-transaction approaches; it requires ecosystem-level coordination that mobilizes and aligns capital at scale.”

Mr. Ahmed Attout, Director, Private Financial Sector Development Department, AfDB

That is why NAFAD is designed as a system-wide coordination and capital-multiplication framework, not an additional financing program. By aligning domestic savings, DFIs, institutional investors, guarantee providers, and capital markets within a shared architecture, NAFAD enables portfolio-based approaches, scalable risk transformation, and predictable capital mobilization. This shift moves the focus from isolated transactions to ecosystem-level coordination that can support infrastructure, private-sector development, youth entrepreneurship, and women's economic empowerment at scale.

NAFAD emphasizes subsidiarity and complementarity as operational principles. Mr. Ahmed Attout explained that the AfDB's comparative advantage lies in operating upstream and at the wholesale level – designing shared



platforms, setting common standards, orchestrating instruments, and deploying its AAA-rated balance sheet – while national and regional DFIs lead where risks are domestic and institutional proximity is strongest. He highlighted consolidation, scale, and capital recycling as essential responses to Africa's fragmentation across institutions, instruments, and balance sheets. In particular, he pointed to mobilizing Africa's domestic savings – including pension, insurance, and DFI assets – through continental risk-sharing and guarantee architectures, as articulated in the Abidjan Consensus.

“NAFAD is not an additional financing program; it is a coordination and capital-multiplication framework anchored on subsidiarity, complementarity, coordination, and risk transformation.”

Mr. Ahmed Attout, Director, Private Financial Sector Development Department, AfDB

While acknowledging ongoing tensions related to market fragmentation, risk perception, and weak project pipelines, he noted a growing consensus around coordinated guarantees, integrated capital markets, and strengthened DFI balance sheets as the most effective levers to structurally lower Africa's cost of capital.

NAFAD redefines development finance in Africa by shifting from fragmented interventions to coordinated, DFI-led risk transformation – mobilizing domestic savings, leveraging AfDB's AAA balance sheet, and deploying shared platforms to structurally lower the cost of capital and finance Africa's development at scale



Panel Session

"Capital Mobilization – Turning Barriers into Opportunities for African DFIs"

Moderator:

Dr. Francis Mwesigye, *Chief Economist, Uganda Development Bank Ltd*

Panelists:

Mr. Ahmed Attout, *Director, Private Financial Sector Development Department, AfDB*

Prof. Mutiu Oyinlola, *Chief Economist, Bank of Industry (BOI), Nigeria*

Mr. Adama Mariko, *Secretary-General of the Finance in Common Initiative (FICS), Executive Director for Mobilization, Partnerships and Communications (AFD)*

Mr. Jeremiah Dan-Okayi, *Head of Strategy & Policy, Development Bank of Nigeria (DBN)*

Drawing on the keynote address, the session reinforced the assertion that Africa's high cost of capital is not driven by a lack of resources but by fragmentation across institutions, instruments, markets, and balance sheets.

“Africa hosts nearly 20% of the world's public development banks, yet holds only about 1% of global development bank assets. This is not a coincidence – it is a coordination failure.”

Mr. Adama Mariko, *Secretary-General, Finance in Common (FICS) Initiative*

The session acknowledged that Africa holds vast pools of domestic institutional capital – estimated at USD 2–4 trillion – yet regulatory design, risk misperception, and weak coordination prevent these resources from reaching development priorities. Thus, the reason behind the NAFAD.

Secondly, there was consensus on risk allocation rather than risk avoidance. The panelists acknowledged persistent tensions between DFIs' balance sheet constraints and their catalytic mandates, but argued that these tensions can be resolved through deliberate instrument design. Subordinated debt, first-loss tranches, guarantees, securitization, and pooled investment vehicles were presented as proven tools for recycling capital, attracting institutional investors, and aligning fiduciary requirements with development objectives.

“Africa does not suffer from a shortage of capital; it suffers from fragmentation. Coordination is the real value proposition of the New African Financial Architecture for Development.”

Prof. Mutiu Oyinlola, *Chief Economist, Bank of Industry (BOI), Nigeria*

Evidence from infrastructure and MSME portfolios shows that actual default and recovery performance in Africa often compares favorably with other regions, yet pricing remains punitive for Africa, resulting in an estimated annual excess interest burden of USD 75 billion. The collective view was that recalibrating risk perception – through better data, peer-reviewed

default statistics, African guarantee platforms, and stronger co-financing among national DFIs, multilaterals, and global partners – is essential to unlocking scale. Ultimately, capital mobilization must begin from within: African DFIs and investors must lead domestically to credibly attract and anchor external capital.

“The priority today is not new capital mobilization, but capital activation. DFIs must deliberately take catalytic risk and design instruments that institutional investors can actually buy.”

Mr. Jeremiah Dan Okayi, Head of Strategy & Policy, Development Bank of Nigeria (DBN)

“External investors will follow only when African institutions show confidence in investing at home. Capital mobilization must start from within.”

Mr. Ahmed Attout, Director, Private Financial Sector Development Department, AfDB

Africa's cost of capital can be structurally reduced if DFIs move from fragmented intermediation to coordinated risk sharing – by activating domestic institutional capital through market-ready instruments, regulatory recalibration, and African-led guarantees under NAFAD.





Panel Session

"The Role of DFIs in Using the NAFAD Platform to Facilitate a Shift Toward Third-Party Guarantee Providers to Alleviate Fiscal Burden"

Moderator:

Prof. Ezekiel Oseni, Executive Director, Risk Management, National Credit Guarantee Company Ltd

Panelists:

Mr. Sylver Kyeyune, Director Risk, Uganda Development Bank (UDB)

Mr. Demba Tandia, Regional VP for Sub-Saharan Africa Representative TCX Fund

Ms. Bolatije Odunewu, Vice President, Credit Risk and Portfolio Management InfraCredit

Ms. Christine Maina, Chief Executive Officer, East Africa Venture Capital

Across interventions, the discussion aligned on a shared strategic objective: reduce Africa's borrowing costs and fiscal pressure by shifting risk-mitigation

“As the fiscal and monetary spaces tighten and sovereign balance sheets come under pressure, African DFIs cannot continue to rely primarily on sovereign or quasi-sovereign guarantees.” **Prof. Ezekiel Oseni**, Executive Director, Risk Management, National Credit Guarantee Company Ltd

away from sovereign and quasi-sovereign balance sheets toward specialized third-party guarantee providers – including credit guarantee companies, insurance and reinsurance actors, blended-finance facilities, and FX-risk institutions – using NAFAD as the coordinating platform. The session emphasized that guarantees should be treated as

system infrastructure, not an ad hoc project add-on: they can provide comfort to capital providers, lower borrowing costs, and crowd in private capital, especially as fiscal and monetary spaces tighten and sovereign balance sheets come under pressure. This logic was reinforced by NAFAD's broader framing: Africa faces an annual financing gap of over USD 400 billion, and NAFAD's catalytic strategy is to use risk-sharing and aggregation to mobilize up to ten times the value of catalytic capital – an approach that naturally elevates scalable guarantee architectures.

“If we want pension funds to finance SMEs at scale, we must stop designing guarantees at the project level and start building fund-level, first-loss structures that institutional investors can actually deploy into.” **Christine Maina**, Chief Executive Officer, East Africa Venture Capital Association (EAVCA)

“With rising debt distress, guarantees are no longer optional instruments; they are essential tools to shift risk away from sovereign balance sheets while still financing Africa's development priorities.” **Sylvester Kyeyune**, Director Risk, Uganda Development Bank (UDB) Ltd.

Consistent with this, the Abidjan Consensus positions continental risk-sharing and guarantee architecture and harmonized regulation as central to lowering the cost of capital and unlocking domestic savings at scale.

“Foreign-exchange risk is one of the most expensive constraints on African investment, but when guarantees are used to absorb and price it down, long-term local-currency financing becomes viable.” **Demba Tandia**, Regional VP for Sub Saharan Africa, TCX Fund.

However, some challenges must be resolved for the shift to succeed. First, product design and investability: institutional investors seldom finance MSMEs directly, but they can allocate into diversified vehicles – making fund-level, first-loss structures and portfolio guarantees critical for scaling real-economy finance while protecting public balance sheets. Second, regulatory alignment and trust: fragmented and inconsistent rules across markets impede cross-border capital flows and constrain the use of guarantees as a bridge between institutional capital and SMEs, a challenge the Abidjan Consensus explicitly links to the need for harmonized regulation

and cross-border instruments. Third, FX risk was repeatedly flagged as a deal-breaker for long-term financing: hedging and FX risk absorption should be treated as part of the guarantee ecosystem rather than a separate niche. The emerging consensus is therefore operational: DFIs should use NAFAD to: (i) organize pipelines and standardize risk assessment, (ii) connect specialized third-party

“Third-party, local-currency guarantees have proven that domestic institutional capital can finance infrastructure – without sovereign guarantees – when risk is properly structured and transparently priced.” **Bolatije Odunewu**, Vice President, Credit Risk and Portfolio Management, InfraCredit

guarantee providers to investable structures (funds, pooled vehicles, bond programs), and (iii) support policy and supervisory recognition that enables institutional participation – so risk is transformed and priced down without deepening sovereign debt vulnerabilities.

“NAFAD will only deliver at scale if it is institutionally linked to the African Union Development Agency – New Partnership for Africa's Development (AUDA-NEPAD) – so that Africa's priorities move seamlessly from continental programs to financed and deliverable projects..” **Patrick Ndzana Olomo**, Acting Director, Economic Development, Integration and Trade, African Union Commission (Intervention from the floor)

Under NAFAD, African DFIs should institutionalize a shift from sovereign-backed guarantees to specialized third-party guarantee and hedging providers, using standardized risk frameworks and investable (portfolio/fund-level) structures to crowd in institutional capital while reducing fiscal exposure and borrowing costs.



Panel Session

"Accelerating Early-Stage Project Preparation Through NAFAD"

Moderator:

Dr. Francis Mwesigye, Chief Economist, Uganda Development Bank Ltd

Panelists:

Mr. Gil Blas Sop Tagne, Director, Classical Financing Operations, Banque de Développement des États de l'Afrique Centrale (BDEAC)

Mr. Ntumba Batukonke Hervé Claude, Chief Executive Officer, Fonds de promotion de Industrie (FPI), DR Congo.

Ms. Barbara Khakasa Lunani, Partnerships and Resource Mobilization, Kenya Development Corporation (KDC)

The panelists acknowledged that early-stage project preparation is the single most binding constraint to Africa's investment pipeline, cutting across infrastructure, industrialization, and SME development. Africa does not lack ideas or financing instruments; rather, it lacks bankable, investment-ready projects capable of efficiently absorbing capital. Weak preparation at the upstream

stage – covering feasibility, financial structuring, environmental and social safeguards, legal frameworks, and institutional arrangements – often results in cost overruns, delays, redesigns, or project failure. As highlighted through experiences from

the Economic and Monetary Community of Central Africa (Communauté Économique et Monétaire de l'Afrique Centrale, CEMAC), the Democratic Republic of Congo, and Kenya, this gap undermines the effectiveness of guarantees, blended finance, and capital mobilization strategies discussed in earlier sessions. The consensus was that capital mobilization efforts cannot succeed without a deliberate, scaled

investment in upstream project preparation.

There was a consensus that NAFAD can structurally transform project preparation by embedding subsidiarity, coordination, and learning across

“Project preparation is not just about feasibility studies; it is about building credibility – technical, financial, environmental, and institutional – before a project ever reaches investors.” **Gil Blas Sop Tagne**, Director, Classical Financing Operations, Banque de Développement des États de l'Afrique Centrale (BDEAC)

the DFI ecosystem. National and regional DFIs were recognized as best placed to lead upstream

“Africa does not lack project ideas; it lacks adequately prepared industrial projects. Without fixing this, no financing instrument will deliver results..” **Ntumba Batukonke Hervé Claude**, Chief Executive Officer, Fonds de Promotion de l'Industrie (FPI), DR Congo

preparation due to their local knowledge and proximity to project sponsors, while continental institutions – particularly the African Development Bank (AfDB) – can provide scale, harmonized standards, and financial amplification. Co-financing and joint upstream engagement were identified as critical tools for aligning due diligence, resolving divergences early, and enhancing credibility before projects reach governments or markets.

Furthermore, it was highlighted that early-stage projects require patient, risk-absorbing capital,

technical assistance, and skills development – especially for industrial entrepreneurs, youth, and women. Innovative domestic resource mobilization, including the securitization of predictable public revenue streams, was presented as a practical way to sustainably finance project preparation and capital recycling. The emerging consensus is that NAFAD must serve as a coordinated project-preparation platform, pooling financial resources, technical expertise, and institutional experience to systematically expand Africa’s bankable project pipeline and accelerate investment-led transformation.

“At the early stage, projects need patient, risk-absorbing capital. DFIs must step in first so that others can invest later.” **Barbara Khakasa Lunani**, Partnerships and Resource Mobilization, Kenya Development Corporation (KDC)

Africa’s investment pipeline will only scale if DFIs jointly prioritize and finance early-stage project preparation – combining patient risk capital, shared standards, technical capacity, and domestic resource mobilization to systematically turn ideas into bankable projects.

Closing



Mr. Dumisani J. Msibi,
2nd Vice-Chairman of AADFI and Group
Managing Director of the Eswatini Development
Finance Corporation (**FINCORP**)

Mr. Dumisani J. Msibi, 2nd Vice-Chairman of AADFI and Group Managing Director of the Eswatini Development Finance Corporation (FINCORP), in his closing address, highlighted the strong endorsement of the New African Financial Architecture for Development (NAFAD) by the Association of African Development Finance Institutions (AADFI) and its partners, describing it as a pragmatic, implementable framework grounded in the operational realities of African Development Finance Institutions (DFIs). He commended the African Development Bank Group's consultative approach and the recognition of AADFI's role within NAFAD processes. Looking ahead, he called for a shift in how DFI performance is measured – beyond capital volumes to include institutional strengthening, bankable project pipelines, and sustainable private capital mobilization. He emphasized that Africa's financing gap can only be addressed through partnership, coordination, and strong project preparation, concluding that the priority is to build the institutional capacity and collaborative mechanisms needed to translate Africa's vision into financed, implementable, and transformative outcomes under NAFAD.



The following are the recommendations from the workshop:

1 African countries should adopt African-led solutions and better coordination. The deeper structural issues of Africa economies including the capacity of African countries to define and finance their own development in a coherent and sovereign manner, requires African-led solutions, stronger institutional coordination framework to address.

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2 NAFAD should enable large-scale capital mobilization and efficient deployment. A coordinated platform under NAFAD is critical to unlocking capital at scale and deploying them efficiently for development. Thus, AADFI and its member DFIs commit to being active player in the NAFAD implementation.

.....

3 Domestic resource mobilization should be prioritized through local-currency financing and the deepening of capital markets. Strengthening domestic financial systems and local-currency financing will reduce foreign exchange risk and reinforce financial sovereignty..

.....

4 Market-ready financial instruments must be expanded to attract institutional investors and recycle capital. Developing investable structures (e.g., blended finance, securitization, and first-loss mechanisms) would be necessary to align development projects with institutional investors' requirements.

.....

5 African-led guarantee platforms and stronger co-financing and risk-sharing mechanisms should be institutionalized as core financial infrastructure to unlock scale. System-wide guarantee architectures are essential for reducing borrowing costs, crowding in private capital, and addressing one of Africa's most critical financing barriers..

.....

6 A progressive transition toward third-party guarantee and hedging ecosystems is essential. Shifting risk away from sovereign balance sheets toward specialized providers will improve risk allocation, enhance investor confidence, and maintain fiscal sustainability.

.....

7 Risk perception of investment in Africa should be recalibrated through improved data transparency and standardized frameworks. Evidence shows that actual default and recovery performance in Africa often compares favorably with that of other regions. Correcting mispriced risk through better data and harmonized frameworks would therefore be required to structurally lower Africa’s cost of capital.

.....

8 A coordinated, large-scale approach to early-stage project preparation should be established under NAFAD. Weak preparation of bankable projects are the most binding constraint to investment; scaling upstream preparation is therefore the highest priority to unlock financing flows.

.....

9 The AADFI should sustain efforts to reposition its member DFIs including strengthening their capital bases. The efforts should focus on advancing regulatory and prudential reforms, including the AADFI Prudential Standards, Guidelines, and Rating System (PSGRS), and embedding DFIs as central actors in development policy frameworks. These measures will enable DFIs to act as architects of resilience and growth, leveraging NAFAD to mobilize capital at scale and deliver tangible development outcomes aligned with national and continental priorities..

.....

10 The AADFI should sustain the promotion of research-driven innovation and knowledge generation. AADFI should continue investing in research and development to generate evidence-based solutions that enhance capital mobilization, strengthen guarantee mechanisms, and accelerate project preparation under the NAFAD framework. Such efforts should be grounded in empirical data and forward-looking analysis to improve DFI effectiveness and support Africa’s development financing agenda.







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