

SUMMARY

UNDP Africa Investment Insights Report

FOURTH EDITION: ENABLING ENVIRONMENT OPPORTUNITIES



EXECUTIVE SUMMARY

This edition of the UNDP Africa Investment Insights Report comes at a time when African countries are seeking new ways to reduce dependence on external financing. While domestic revenue is growing, it remains insufficient to meet urgent development needs. To ease debt pressures and build long-term resilience, more capital must flow into investments that create jobs, strengthen communities and protect the environment.

Developed by the UNDP Africa Sustainable Finance Hub, in partnership with timbuktoo, the report examines 250 Investment Opportunity Areas (IOAs) based on proven business models as captured in 20 African SDG Investor Maps. These IOAs show potential to generate financial returns while delivering social and environmental value.

The report also explores more than 50 “white spaces.”

These are policy, regulatory and market gaps that currently limit private investment. Addressing them could open new pathways for inclusive, private sector-led development in Africa.



KEY FINDINGS

Africa’s investment landscape is expanding, with growing opportunities for both profit and impact. Based on the SDG Investor Maps’ IOAs, this edition highlights three core insights:

- **SDG INVESTMENTS CAN BE FINANCIALLY REWARDING:** Many identified opportunities offer expected returns of 15 to 20 percent and target market sizes ranging from US\$100 million to more than \$1 billion. Most have the potential to generate cumulative positive cash flows within five to 10 years.
- **INVESTMENTS ACROSS AFRICA HAVE SIGNIFICANT IMPACT POTENTIAL:** Many opportunities support underserved populations, particularly in rural areas. They address urgent needs such as access to food, energy and health care, while also contributing to broader goals like economic diversification and decent work.
- **PUBLIC SUPPORT UNLOCKS PRIVATE CAPITAL FOR THE SDGS:** While the private sector plays a critical role, many opportunities require public sector involvement to succeed. This includes support through blended finance, risk reduction tools, clear regulatory frameworks and fair pricing mechanisms.

TACKLING BARRIERS TO GROWTH

Unlocking the full potential of private investment in Africa requires practical steps to address structural challenges. Through the SDG Investor Maps' "white spaces", the report identifies three priority areas:

- **BOTTLENECKS HOLD BACK PROGRESS:** Market and policy-related constraints limit both returns and impact, particularly in sectors such as food and beverages, infrastructure, and renewable energy.
- **COMPETITIVENESS IS A RECURRING ISSUE:** Many local enterprises face challenges in scaling and competing effectively, which limits domestic market growth and deepens reliance on international suppliers.
- **SUPPORTIVE POLICY ENVIRONMENTS CAN ACCELERATE PROGRESS:** In many cases, investment opportunities could advance more rapidly with updates to regulatory frameworks. Collaborative policy dialogue, technical support and evidence-based reforms can help create the conditions needed for sustainable, private sector-led growth.

"African economies offer viable commercial returns alongside real development impact. Unlocking these opportunities requires an enabling environment that incentivizes the efficient, responsible movement of capital."

Maxwell Gomera
Director,
UNDP Africa Sustainable Finance Hub

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- Read UNDP Africa Investment Insights Report: go.undp.org/inv-insight
- Discover the SDG Investor Platform: go.undp.org/sip
- Learn more about UNDP's work on Sustainable Finance: sdgfinance.undp.org
- Learn more about the UNDP timbuktoo initiative: go.undp.org/timbuktoo

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