

Co-Creating CAPITAL WITH PURPOSE, Key Insights from the Forum

On May 28 and 29, at IESE Business School in Barcelona, African institutional investors, business owners, fund managers, family offices, pension funds, foundations, development finance institutions, entrepreneurs, and academics gathered to discuss one of the most important questions facing Africa's economic future: **How can more capital be mobilised towards impactful investment opportunities across the continent?**

The discussions moved beyond familiar narratives about Africa's potential. The most compelling conversations took place between those who have spent decades building businesses, deploying capital, and navigating complexity across the continent, and those still deciding whether—and how—to participate in Africa's growth story. It created a different kind of conversation. Participants focused on practical solutions: how to connect capital with opportunities, how to reduce friction within the investment ecosystem, and how to mobilise domestic and international capital at the scale required to finance growth.

What emerged was a picture of a continent rich in capital, entrepreneurial talent, and investment opportunities— yet still constrained by the structures required to align these elements efficiently.





Africa's Opportunity Is Growing Faster Than Ever

Several sessions opened with a foundational observation: the long-term fundamentals remain compelling. By 2027, Africa's working-age population will become the continent's largest demographic group. The labor force is projected to surpass the combined labor forces of China and India by mid-century, representing 1 in 3 working people globally. The continent must generate 15 million formal jobs per year to absorb this expansion. It currently generates roughly 3 million (AFC, 2026).

At the same time, urbanisation continues at an unprecedented speed. Infrastructure deficits remain substantial, while demand for healthcare, education, housing, energy, digital services, logistics, and financial inclusion continues to expand.

Participants concurred that these trends constitute one of the most significant investment opportunities globally. The constraint is not a shortage of opportunity, but ensuring that capital reaches it at the required scale.

Solving Today, Building Tomorrow

Productive tension ran through several discussions: balancing investment in Africa's most pressing needs — energy access, infrastructure, clean cooking — while positioning the continent to lead the next wave of technological change. Africa's demographic profile, the youngest in the world, combined with high digital penetration, was cited as creating genuine leapfrog potential in areas such as semiconductor design, AI applications, and digital financial infrastructure. The conclusion was not that one priority should displace the other, but that the most compelling opportunities may lie at their intersection.





From Development Assistance to Financial Architecture

Official Development Assistance ("ODA") has declined in recent years, with donor budgets contracting and direct public financing of African projects becoming less available. While this trend might be read as adverse for Africa's investment landscape, the forum offered a different interpretation.

Africa holds over USD 4 trillion in domestic financial assets — held in pension funds, insurance companies, banking systems, and institutional vehicles (AFC, 2026). Global institutional interest in the continent has never been higher. Capital, both domestic and international, is not the binding constraint. What remains underdeveloped is the layer that connects capital to investable opportunity: the financial architecture, instruments, and intermediaries required for capital to flow efficiently and at scale.
This evolution is redefining the purpose of development finance. Rather than substituting for declining aid budgets, DFIs are increasingly expected to design and support investment structures that crowd in

private capital, deploying tools such as guarantees, first-loss tranches, and blended finance mechanisms to mobilise both local and international investors.

Examples discussed during the forum illustrated what is achievable with appropriate structures in place: a blended finance vehicle mobilised approximately USD 200 million of Nigerian pension funds capital to support infrastructure development. Another example demonstrated how securitisation structures could unlock financing for SMEs while creating investable products for institutional investors. These examples reflect a broader transition in the role of development finance institutions, from direct capital provider to architect of structures that mobilise significantly larger pools of capital than aid alone could achieve.





Risk in Africa Is Different. It Is Not Necessarily Higher.

A recurring theme throughout the forum was the distinction between how risk in Africa is perceived externally and how it is managed in practice by those operating on the ground.

Participants who have spent decades building businesses through currency turbulence, geopolitical cycles, and infrastructure constraints shared practical approaches for creating resilience. These included local sourcing, export-oriented business models, asset-backed financing structures, and vertically integrated supply chains designed to reduce external vulnerabilities. The conclusion that emerged was that businesses producing locally, sourcing locally, and generating local currency revenue are often structurally insulated from currency depreciation without recourse to financial hedging. Currency exposure, in this framing, is frequently a question of structuring rather than geography.

Participants also examined an educational gap that runs in both directions. International institutional investors require improved frameworks for assessing African risk on its own terms, rather than through the lens of more familiar markets. Equally, African pension funds face a significant challenge in that private capital, as an asset class, remains structurally unfamiliar, and regulatory frameworks are only beginning to create the conditions for participation. Addressing the domestic capital gap requires building private market literacy among African institutional investors, alongside the regulatory reform necessary to enable participation.

The conclusion was not that Africa represents a low-risk environment, but that many of its risks are misunderstood and can be mitigated through improved structures and deeper local engagement.

Family Capital — One Important Part of the Ecosystem

Among the most candid and forward-looking discussions was the role of family capital within Africa's investment ecosystem. Family offices, entrepreneurial families, and family-owned businesses combine long-term investment horizons with deep local knowledge and substantial operating experience. Many of the most compelling examples discussed involved investors deploying proprietary capital first, establishing conviction through direct experience, and subsequently attracting larger pools of institutional capital.

The discussion pointed to the opportunity presented by combining patient, locally-embedded family capital with institutional co-investment structures — an approach that can render the asset class more legible and accessible to a broader investor base.

Exits and Pipeline: Addressing Two Common Challenges

Two concerns frequently raised by institutional investors regarding Africa relate to exit pathways and pipeline depth. The forum addressed both directly, drawing on concrete examples from across the room.

On exits, the central insight concerned definition. Public markets remain relevant, and pan-African stock market integration will become increasingly significant as these markets deepen. Egypt was cited as an example where listed vehicles already provide meaningful flexibility for capital raises and exits. However, exit pathways in Africa extend well beyond public listings. Value chain integration and procurement relationships can themselves constitute the exit — embedded from the outset rather than engineered at a later stage. Private credit strategies structured around coupon-first cash flow generate exits independent of capital markets altogether. Regional buy-and-build platforms create the scale required for credible trade sales. Participants noted that these realities call for an expanded framework for evaluating African exits — and that patience, in this context, should be understood not as a concession but as a deliberate strategy.

On pipeline, the prevailing view was that investable opportunities are not in short supply. The principal constraint is the pre-investment work required to render companies and funds investable: building operational quality, reducing regulatory friction, standardising operational practices, and aggregating smaller opportunities into structures accessible to institutional investors. Models addressing this constraint are emerging across the spectrum — from fund managers working directly with entrepreneurs, to development finance-backed platforms, family-driven initiatives, and fund-of-funds structures that bring smaller opportunities to institutional scale.





The forum's conclusion on both questions was measured: these concerns are legitimate, but increasingly addressable. The structures exist and a track record is being built. What remains is the willingness to engage with an investment environment that requires a differentiated framework.





What the Data Shows

Professor Thomas Klueter of IESE Business School worked with Oryx Impact's database of over 1,300 Africa-focused private capital funds, complemented wherever possible with publicly available market data, such as AVCA, to develop a more comprehensive understanding of the private capital landscape in Africa — examining what distinguishes successful funds, where impact is concentrated, and how returns compare in practice. The findings indicate an increasingly sophisticated private market ecosystem:

- Africa was the only region globally to record growth in deal activity in 2025, with private debt recording its strongest year to date.
- Funds with local African presence demonstrate significantly higher fundraising success.
- Where management teams reflect gender diversity, the data indicates strong potential, correlated with higher investment quality.
- The fastest-growing investment themes — clean energy, sustainable logistics, healthcare, and the circular economy — align closely with Africa's structural needs.
- 81 exits were recorded in 2025, an increase of 27% year-on-year. Acquisitions in Africa grew 33% year-on-year, the largest increase of any global region, with average holding periods continuing to shorten.

The research also identified a structural vulnerability: nearly 64% of African private capital commitments in 2025 originated from development finance institutions, an increase from 42% in 2024. The data nonetheless indicates rising domestic capital participation.

The findings further revealed a highly concentrated fundraising environment. A relatively small group of managers captures the majority of commitments, while many emerging managers with strong performance records struggle to access institutional capital.

The implication is that the principal challenge facing Africa's private capital markets is increasingly one of efficient capital allocation, rather than a deficit of opportunity.

The Conversation Continues

The forum concluded with a level of energy and engagement that exceeded expectations, with several participants enquiring before the room had cleared about the timing of a subsequent edition.

Those two days affirmed that the discourse around mobilising capital for Africa has shifted from establishing the investment case for the continent to addressing the practical and structural work of connecting capital with opportunity, a work that will increasingly depend on the convergence of stakeholders equipped to undertake it together.

One question raised, though not fully resolved, will contribute to designing the next edition: how to bring mainstream capital into Africa at the scale the opportunity requires. Financial structuring — blended finance, guarantees, first-loss capital — addresses part of the equation, but participants debated whether the larger shift depends on something else: how the opportunity itself is framed and communicated to investors who have not yet engaged. For many in the room, impact and returns in Africa are not in tension — strong returns often come with impact built in, not despite it. Whether the language and narrative used to describe this helps or hinders that message is a question the organisers intend to keep exploring as the next edition takes shape.

Building on this momentum, a community is forming around the discussions initiated in Barcelona, with the next edition of the forum planned for spring 2027. Those wishing to receive updates are invited to register their interest here.

Further information regarding the forum's findings, and Oryx Impact's broader work, is available on request.





This document was prepared by Oryx Impact based on discussions that took place at Capital with Purpose, Barcelona, May 28–29, 2026. It reflects the views and insights that emerged from those conversations and has been produced in accordance with Chatham House Rule. No statements are attributed to named individuals.

Oryx Impact is an Africa-focused fund-of-funds investing in impact-driven fund managers across private equity, private credit and venture capital — a platform designed to give institutional investors credible, diversified access to the continent's most compelling opportunities.

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