

Investment Prospects in Africa: *Positioning the Economic Commission for Africa as a Strategic Provider of Investment Intelligence*

Draft concept note

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1. Background and context

Over the past two decades, investment in Africa has been strongly influenced by global cycles (commodity prices, liquidity conditions and risk appetite), with persistent concentration by destination and sector. While investment has supported growth in several economies, it has not consistently reached the scale, stability and composition required to accelerate Africa's structural transformation, including industrialization, value addition, competitiveness of regional value chains, and resilient infrastructure.

Recent developments between 2023 and 2024 illustrate the need to interpret investment dynamics beyond headline figures. In 2023, FDI inflows to Africa declined by 3 per cent to US\$53 billion, amid a challenging global environment and a sharp contraction in international project finance on the continent. In 2024, foreign investment rose by 75 per cent to US\$97 billion, increasing Africa's share of global FDI from about 4 per cent to 6 per cent. UNCTAD, however, underlined that the increase was largely driven by a mega international project finance transaction in Egypt. Excluding that one-off effect, inflows still increased by about 12 per cent, pointing to a broader but more moderate improvement.

Regional dynamics in 2024 further confirm the value of granular analysis. For example, UNCTAD highlighted that Eastern and Southern Africa experienced exceptionally strong inflows, with COMESA economies collectively reaching record highs in 2024. Such patterns matter for investors assessing location strategies, corridor economics, and cross-border value chains, especially in the context of AfCFTA implementation and the renewed emphasis on special economic zones and regional industrial ecosystems.

Beyond levels, the direction and categories of investment remain central to Africa's agendas. Africa requires more private investment (domestic and foreign) that is productivity-raising, jobs-intensive, supportive of regional value chains under AfCFTA, and aligned with climate and energy transitions. Yet significant gaps persist. The African Development Bank estimates Africa's infrastructure needs at US\$130–170 billion annually, with a large financing gap that constrains competitiveness and transformation.

These gaps are directly linked to Africa's commitments under Agenda 2063 and the SDGs. Multiple sources continue to cite an SDG financing gap for Africa in the order of US\$1.3 trillion per year, reinforcing that public resources alone will not deliver the required scale; private capital mobilization and better investment orientation are essential. Regional challenges, poverty, inequality and climate vulnerability continue to affect livelihoods and increase the urgency of mobilizing investment that supports resilience and inclusion.

Islamic finance is becoming an important source of long-term capital for infrastructure, energy, agribusiness and Small and Medium Enterprises in Africa, supported by the spread of Sukuk markets, Islamic banking and takaful frameworks. Its asset-backed, risk-sharing model aligns well with AfCFTA priorities and infrastructure development, while offering access to new pools of capital from Gulf investors and domestic savings. Deeper analysis of Islamic finance indicators in Africa would strengthen the analysis and support policymakers and investors alike.

At the same time, incumbent and prospective investors continue to face a persistent information and intelligence gap. Investment-relevant data and signals are scattered across many sources, often not comparable, and rarely interpreted through an Africa-centred narrative that supports decision-making. Investors therefore face higher transaction costs due to fragmented access to official data and contextual indicators; limited consolidation of regulatory, operational and risk information; insufficient subnational and corridor-level intelligence to assess feasibility; and limited interpretation of what investment numbers imply for expected returns, constraints and reinvestment prospects. This project responds to these constraints by positioning ECA as a strategic provider of investment intelligence and African narrative analysis across the continent.

2. Objective of the project

The project aims to position the Economic Commission for Africa as a strategic and trusted provider of investment intelligence in Africa by establishing an integrated platform and analytical products that consolidate harmonized statistics, geospatial evidence and Africa-centred interpretation to support informed investment decisions and investment-related policy reforms.

The specific objectives are to:

- build a one-stop hub that disseminates comprehensive, comparable and context specific investment-related statistics in Africa, aligned with Agenda 2063 and the 2030 Agenda;
- integrate a geospatial investment intelligence layer that supports location- and corridor-based analysis (infrastructure readiness, connectivity, market access and exposure to operational and climate risks);
- institutionalize a contextualized engagement with investors based on evidence obtained through a regular structured surveys and targeted interviews that capture constraints, risk perceptions and determinants of expansion and reinvestment;
- develop an interactive dashboard that supports understanding of how investment portfolios by instrument influence retention and reinvestment dynamics, including signals related to reinvested earnings and other relevant aggregates; and
- produce an annual Africa Investment Prospects analytical package (report, country briefs and thematic notes) that interprets investment dynamics from an African perspective, linking flows and conditions to transformation priorities.

3. Rationale

Investment intelligence relevant to Africa remains fragmented. Data and information useful to incumbent and prospective investors are often dispersed across national institutions (national statistical offices, central banks, ministries of finance and trade, investment promotion agencies, chambers of commerce and regulators) and international repositories (including UNCTAD and other global datasets). This fragmentation makes it difficult to produce a coherent and integrated assessment of opportunities, constraints, risks and expected returns, particularly across countries, sectors and time.

In many contexts, limited collaboration between national statistical systems and investment-related agencies further constrains the development of national investment intelligence. Where coordination is weak, investment promotion functions may not be anchored in harmonized statistics, and official statistics may not be packaged or interpreted in ways that respond to investor decision-making needs, such as operational feasibility, sector readiness, corridor logistics, regulatory burden, and reinvestment conditions.

ECA is uniquely positioned to address this coordination and intelligence gap because it combines a regional mandate; credibility as a UN institution; established partnerships with Member States and RECs; and core functions that include a think-tank role and convening power for policy dialogue and coalition-building. ECA's mandate explicitly includes multi-sectoral research and analysis and regional policy advocacy, alongside its convening function. The latter allows the Commission to provide impartial, credible and Africa-centred interpretation of investment conditions and trends, while also supporting Member States with policy advice and technical assistance.

ECA already operates at the interface between evidence and policy dialogue on investment. The Commission convenes the Africa Business Forum as a platform connecting opportunities, value chains and special economic zones with partnerships and investment mobilization. In parallel, the Conference of African Ministers of Finance, Planning and Economic Development remains one of the premier forums for dialogue among ministers on issues pertinent to Africa's development agenda, providing a structured pathway for evidence to inform reforms and regional coordination.

Finally, the rationale is anchored in financing realities. With large financing gaps to achieve Agenda 2063 and the SDGs and persistent shortfalls in infrastructure and productive investment, private investment (domestic and foreign) is crucial.

4. Expected outcomes and outputs

Expected outcomes

EO1. A unique platform that provides investment intelligence for Africa.

A single-entry point that consolidates harmonized investment-relevant statistics, contextual indicators and geospatial signals, with clear metadata and methodological transparency.

EO2. Support ECA's think-tank and convening functions.

Investment intelligence strengthens ECA's evidence base for policy engagement and supports high-level platforms, including the Africa Business Forum and the Conference of Ministers, improving the link between diagnostics, reform priorities and investment mobilization.

EO3. Thematic analysis of investments in Africa.

An annual analytical package provides Africa-centred interpretation of investment trends and conditions, linked to transformation priorities and regional integration objectives.

Key outputs

- Africa Investment Intelligence Platform: harmonized datasets, dashboards, documentation and metadata, including a minimum module on investment portfolios by instrument and reinvestment/retention signals.
- Africa Investment Prospects Report: annual flagship with a continental overview and thematic chapters (entry and regulatory conditions; infrastructure readiness and connectivity; governance and predictability; macroeconomic context; sector opportunities; risk and resilience).
- Country briefs and comparative benchmarks: standardized country profiles supporting investors and governments, including peer benchmarks and interpretation of constraints and opportunities.
- Geospatial investment products: corridor and location intelligence (maps and indicators) to support practical assessment of feasibility, logistics, predictive (location-based) intelligence and exposure to risk.
- Investor survey outputs: aggregated results and analytical briefs capturing constraints, risk perceptions, operational bottlenecks and reinvestment drivers.

5. Methodological approach

The methodological approach will combine primary data collection and secondary data integration, with a strong focus on harmonization, transparency, practical usability for investment decision-making and geospatial and innovative technologies for spatially enabled analysis.

First, the core of the initiative will source data from national statistics offices, central banks, ministries of finance and trade, investment promotion agencies and relevant national regulators, complemented by continental and global databases, including UNCTAD investment statistics. All data will be harmonized using a standardized statistical framework aligned with international classification systems and documented through metadata, definitions and comparability rules. The

approach will ensure that each indicator published on the platform can be traced back to sources and methods.

Second, primary information will be collected through a structured investor survey administered to investors operating in Africa or actively considering entry. Data collection will be carried out through an online platform complemented by targeted interviews for large investors, sector-specific players and institutional investors. To ensure adequate coverage, the project will partner with investment promotion agencies, chambers of commerce, regional business councils and development finance institutions.

Third, the project will integrate a geospatial component to support subnational and corridor-based investment intelligence. This will enable assessment of investment opportunities and constraints beyond national averages by linking investment readiness to connectivity, infrastructure, market access and exposure to risk. The geospatial layer will be designed to interoperate with the statistical platform and to support clear interpretation for investors and policymakers.

Across all components, the project will adopt rigorous data-quality standards, including verification procedures, plausibility checks, methodological transparency and full documentation of index or composite indicator construction (where applicable). Confidentiality of enterprise-level survey responses will be ensured through strict data-protection protocols, with publication limited to aggregated and anonymized outputs.

6. Implementation modalities

The project requires collaboration between ACS, relevant ECA divisions, and ECA sub-regional offices. A lead implementing entity will be identified to chair the project steering committee, coordinate delivery, and initiate and maintain strategic partnerships, particularly with UNCTAD, AfDB and selected national investment promotion agencies, to facilitate access to data, expertise and dissemination networks.

A technical committee composed of statisticians, economists, investment specialists and geospatial and data experts will support methodological development and data quality assurance. To promote ownership and sustainability, partnerships will be established with national statistics offices and investment promotion agencies. These partners will provide data, assist with survey dissemination and participate in technical validation exercises. The project will also engage private-sector associations and chambers of commerce to facilitate investor participation, while sub-regional offices will support country-level engagement, convening and dissemination.

The project will be implemented in three phases over up to twenty-four months.

Phase 1: Validation and design (approximately six months).

The concept will be presented to ECA leadership and a working group will be established, composed of ACS staff and representatives of relevant ECA divisions, sub-regional offices, and selected partners. A detailed methodological framework will be developed, survey instruments designed, the geospatial architecture defined, and partnerships formalized.

Phase 2: Piloting and baseline dataset (approximately six to nine months).

Two or three subregions will be selected for piloting based on investment activity, data availability and readiness of national institutions to collaborate. Data collection instruments will be deployed, validation conducted, and preliminary analyses produced. Outputs will include a pilot platform module, a pilot investment prospects index and dashboard and a first set of country briefs.

Phase 3: Continental rollout and institutionalization (approximately twelve months).

Survey deployment will be expanded to all countries, complemented by extensive secondary data collection and harmonization. Results will be analyzed and validated, and the first Africa Investment Prospects Report will be produced. Dissemination workshops will be organized for governments, regional organizations and private-sector stakeholders with the support of sub-regional offices. The

phase will culminate in institutionalizing the product as a recurring ECA platform and publication, anchored in ECA's policy dialogue and convening platforms.

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