

**Capital with Purpose:
Mobilizing Capital for
Scalable, Sustainable,
and Measurable
Impact in Africa**

IESE Barcelona · May 28-29, 2026



**Africa
Initiative**



**Institute for
Sustainability
Leadership**

FORUM REPORT · BARCELONA, 28–29 MAY 2026

Capital with Purpose

*Mobilizing Capital for Scalable, Sustainable,
and Measurable Impact in Africa*

FORMAT

Closed-door, invitation-only working
forum

VENUE

IESE North Campus Barcelona, Spain

SESSIONS

Keynotes · Panels · Data · Working
groups

Executive Summary

Two days of keynotes, panels, and small-group working discussions at IESE's North Campus in Barcelona surfaced a striking degree of consensus around one of Africa's most pressing development challenges: why is capital not moving into Africa at the pace the opportunity demands? The answer participants returned to, across every session, was not a shortage of capital or a shortage of opportunity. It was a missing layer between the two: the financial infrastructure, the instruments, and the intermediaries that allow capital to reach the right opportunities at the right scale.

The continent holds over USD 4 trillion in domestic financial assets. The mechanisms to move that capital into productive long-term investment — credit enhancement, local currency instruments, aggregation platforms, exit infrastructure — are absent or severely underdeveloped across most markets. Building them is the work this forum convened to advance.

The gathering brought together African institutional investors, DFIs, foundations, family offices, African business owners and ecosystem builders from more than 25 countries. The combination, rarely assembled in one place, produced a strikingly consistent set of conclusions across every session: Africa is not capital-scarce. It has an intermediation — 'plumbing' — problem and a patient capital problem. Solving both simultaneously and at scale is the defining challenge and the defining opportunity of the next decade.



The Moment

By 2027, Africa's working-age population will become the continent's largest demographic group. By 2050, the labor force is projected to surpass China and India combined by mid-century, representing 1 in 3 working people globally (AFC, 2026). The continent must generate 15 million formal jobs per year to absorb this expansion. It currently generates roughly 3 million (AFC, 2026). That gap is a financing problem.

African governments spent seven times more on debt service than on infrastructure between 2019 and 2023 (AFC, 2026). Debt service now consumes approximately 18% of government revenues, the highest share of any region globally. At the same time, external capital flows are contracting. Official Development Assistance (“ODA”) budgets are being cut across the major bilateral donors. International bond markets have become, in the words of one keynote speaker, 'frequently inaccessible.'

Capital exists in Africa, in abundance. African banking systems, pension funds, insurance institutions, and sovereign wealth funds hold a conservative estimate of USD 4 trillion in assets (AFC, 2026). Non-banking assets alone exceed USD 2 trillion — more than the total external capital flows into Africa across the entire decade from 2014 to 2024. The question the forum set itself was not where to find the capital. The question was: why it is not moving?



The End of the Old Capital Architecture

One of the strongest themes across both the pre-event conversations and the forum itself was the recognition that the financing environment around Africa is undergoing a structural transition.

Participants pointed to declining ODA budgets, changing geopolitical priorities among bilateral donors, and growing pressure on development finance institutions to align investments with national interests. Several voices argued that assumptions that shaped African development finance over the past two decades can no longer be taken for granted.

This shift does not imply less capital overall. Rather, it changes the composition of capital and the responsibilities of different actors within the ecosystem. Domestic institutional investors, family offices, sovereign vehicles, corporations, and private investors are increasingly expected to play a larger role alongside traditional development finance providers.

The implication discussed throughout the forum was clear: mobilising private and domestic capital is no longer a complementary objective. It is becoming a central requirement for long-term economic development and infrastructure financing across the continent.

What the Data Shows



Africa's private capital market is more resilient than the global narrative suggests. In 2025, Africa was the only region globally to record growth in deal volume: transactions rose 8% year-on-year to 530 deals while every other major region saw volumes fall (AVCA, 2026). Capital raised fell 34%, in line with global trends — but the pipeline of active fund managers held up better than any other region.

The composition of that activity is shifting in ways that matter for institutional investors. Private Debt recorded its strongest year ever, with deal volume rising 57% (AVCA, 2026). Private Equity reached a decade high by volume. Infrastructure surged 47% in value on the back of renewables megadeals. The exit market strengthened: 81 exits were recorded in 2025, up 27% year-on-year. Average holding periods shortened to 6.2 years, close to the global average of 6.5 years.

Yet the composition of capital behind these deals reveals a structural fragility. Development Finance Institutions supplied nearly 64% of all African private capital commitments in 2025, up from 42% in 2024 (AVCA, 2026). Commercial investors pulled back sharply when global conditions tightened. A market where nearly two-thirds of capital comes from subsidised investors has not yet demonstrated it can stand without that support.

Oryx Impact's Screening Universe shows, that of 1,300+ funds screened, only 3.2% reach full due diligence. Early rejections are driven by regional fit (31%), single-country concentration (28%), and asset class misfit (19%). Funds reaching due diligence show 55% higher expected returns than those immediately rejected. Manager selection is where value is made or lost.

Forty percent of African VC deals in 2025 involved at least one impact investor (AVCA, 2026). The fastest-growing themes were Sustainable Transport and Logistics (+64%), Clean Energy (+55%), Circular Economy (+57%), and Healthcare (+45%). Gender diversity correlates with fund quality: 36% of funds reaching due diligence have at least one female GP, versus 21% of immediately rejected funds. The localisation of capital is accelerating: nearly half of all active LPs investing in Africa are now Africa-based.

The Missing Layers

Several discussions throughout the forum challenged the notion that Africa's primary constraint is a lack of capital. Participants pointed instead to five missing layers of intermediation: the institutions, structures, relationships, information, and investment vehicles that connect available capital with investable opportunities.

Institutional voices from both global asset managers and African pension associations diagnosed the same constraint directly: the barrier is not skepticism about Africa's opportunity but institutional inertia — compliance teams, investment committees, and boards that have not yet been given the mandate to treat Africa as a regular asset class. The forum identified those five layers of missing infrastructure, each requiring a different set of actors to build. Whether discussing pension funds, family offices, family businesses, development finance institutions, insurers, sovereign vehicles, or international investors, participants repeatedly returned to a similar question: what would make capital more confident, more informed, and more able to deploy at scale?

The forum also highlighted that many perceived risks are not binary investment decisions but intermediation challenges. Currency risk was frequently cited as an example. While macroeconomic volatility remains a genuine concern in many markets, participants discussed how local-currency revenues, blended structures, guarantees, domestic investor participation, and stronger financial intermediaries can materially alter the risk profile of investments.

Across the discussions, three dimensions of the missing layers emerged repeatedly: the mobilisation of domestic capital, the visibility of investment opportunities and fund managers, and the ecosystem infrastructure required to connect capital providers with opportunities on the ground.



Financial Plumbing and Domestic Capital Mobilisation

Africa's non-banking institutional assets — pension funds, insurance companies, sovereign vehicles — exceed USD 2 trillion, more than all external capital flows into the continent combined over the past decade. The capital exists. What is missing is the infrastructure to connect it to productive long-term investment.

Forum participants from guarantee and blended finance institutions showed what is possible when that infrastructure exists. Local currency guarantee structures grew Nigerian pension allocations to infrastructure from USD 6 million to nearly USD 200 million since 2017. A Ghana domiciled fund-of-funds — 70% capitalised by local pension funds with DFI first-loss protection — demonstrated that DFI-backed confidence can unlock domestic capital that would not otherwise have moved. Securitisation of

microfinance and SME loan books — technically feasible after 30 years of portfolio data — remains the most underused aggregation tool available.

The panels of catalytic capital providers reinforced the direction of travel: development finance institutions are increasingly acting as architects of structures rather than primary capital suppliers — using guarantees, first-loss positions and technical assistance to give domestic institutional investors the confidence and the investment-grade instruments they need to participate. African investor share of private capital fundraising has already grown from 18% in 2022–24 to 21% in 2025, with Africa-based funds taking a rising share of deals. The intermediation problem is solvable. Africa already holds the capital it needs.

Exit Infrastructure



A structural argument made consistently in the forum: capital needs somewhere credible to exit before it can enter at scale. But data presented during the forum showed that exits are already improving — faster than most LPs realise. 81 exits were recorded in 2025, up 27% year-on-year. Average holding periods have shortened to 6.2 years, approaching the global average of 6.5 years. Africa acquisitions grew 33% year-on-year in 2025 — the largest increase of any global region — with strategic trade sales to local buyers now the dominant pathway.

The family businesses session reinforced this from an operating perspective. One participant described a capital-pooling platform model generating returns through procurement integration and value chain localisation, not through a conventional capital markets exit — with the exit embedded in the operating relationship from day one. This is not a workaround: it is a structurally sound alternative pathway for businesses operating in markets where public listings remain thin.

Fund manager perspectives added a third dimension. Private credit strategies designed around coupon-first cash flow structures and defined repayment schedules represent exits that do not depend on capital markets at all. Buy-and-build platform approaches — where regional consolidation creates scale sufficient for a credible trade sale — represent another working pathway.

Pan-African stock market integration will matter as markets deepen. But the exit conversation is broader than public markets. Strategic acquisitions, platform integration, value chain exits, and structured credit repayment are all functioning pathways today. The discussion suggested that LP frameworks may need to broaden their definition of viable exit pathways beyond public market listings.

The Pipeline Problem

A thread that ran from the DFI panel to the dinner session: African capital is not primarily held back by a shortage of fund managers or investable companies. It is held back by the pre-investment work that makes companies and funds investable in the first place.

Participants from development finance institutions and foundations identified the institutional dimension: many African SME funds take five to nine years to raise — not because the investment case is weak, but because ticket sizes are too small for most institutional investors and the intermediaries to aggregate them are largely absent. Africa’s annual SME financing gap remains approximately USD 300 billion. The current level of activity needs to happen many times over to be material. Under USD 1 million in targeted technical assistance helped one Kenyan bank use its own customer data to build better SME credit assessments, growing its SME loan book from USD 4 million to over USD 1.3 billion — a model for what capacity-building alongside capital can achieve.

Participants from innovation ecosystems and entrepreneur-led funds described the layer that sits even further upstream: the pre-commercial work of building startup quality, removing regulatory friction, and standardising operational know-how before institutional investors arrive. Without it, funds raise successfully but cannot deploy into a pipeline that is ready. One initiative is aiming to mobilise approximately USD 1 billion in blended public, private and philanthropic capital to establish 17 R&D centres and 6 acceleration hubs across Africa in 24 months, with 54 centres across all African countries as the target. A newly launched fund seeded by African entrepreneurs with a USD 2 billion target marks a historic shift: the first generation of African entrepreneurs reinvesting in the next. A parallel approach brings entrepreneur-led capital — 30 unicorn founders investing personal capital alongside close to USD 1 billion raised across five funds — on the premise that entrepreneurs understand the risks better than institutions and that their involvement unlocks networks and trust in ways conventional fund structures cannot.

The two approaches are complementary: one builds the conditions for investment, the other brings the capital and credibility once those conditions exist. Together they represent a model for how the pipeline problem gets solved — not by waiting for institutional capital to arrive, but by building the ecosystem that makes institutional capital viable

Families as Capital Architects



Three sessions surfaced a category of capital that operates on fundamentally different terms from institutional capital: patient, values-driven, long-horizon, and already building Africa’s investment ecosystem in ways that conventional fund structures cannot replicate.

The Sequencing Model

A European family-led investment group articulated its approach directly: risk management is the first priority — local people are non-negotiable — returns must be competitive, and impact in well-managed African businesses is almost automatic..

The sequencing matters: deploy proprietary capital first, build conviction through direct experience, then crowd in institutional co-investors. The question for LPs is not whether to compete with family capital — it is how to co-invest alongside it.

Family Offices: The Journey to Impact Alignment

One framework presented mapped where family offices sit on their impact journey through five archetypes — from a small initial carve-out allocation to an 'Aligner' posture where all capital is deployed with a unified impact vision. A long-tenured impact investor in Sub-Saharan Africa illustrated that arc through a 30-year personal journey from philanthropy to professional impact investing.

The structural gap both identified mirrors Africa's precisely: 34% of 2018–24 climate capital went to VC while only 8% reached growth equity — exactly where Africa's late-stage funding gap sits and where family capital is uniquely positioned to fill it.

Family Businesses: Building the Ecosystem From Within



Participants from family businesses across Africa and with African operations made a connected argument across three threads: time horizon, exit, and currency.

One capital-pooling platform built on decades of embedded corporate presence provides local currency financing to portfolio companies and uses procurement relationships as the exit pathway, bypassing conventional capital markets. A South African infrastructure concession model demonstrates contractual de-risking through long-dated government revenue commitments. A vertically integrated group spanning consumer goods, packaging, and cables simultaneously functions as an industrialisation strategy and a currency risk management tool.

The panel's central thesis: businesses that produce locally, source locally and sell in local currency are structurally protected against currency drag. This is a structuring model, not a social position.



Where Fund Managers Are Looking

The closing fund manager panel translated the day's macro themes into investable specifics:

- Private credit in Africa is structurally attractive because it is un-levered, necessity-driven, and insulated from the global leveraged finance crisis. A five-layer risk framework — operating risk, stacked downside protection, cash flow modelling, currency management, and fraud screening — offers a template for LP credit due diligence.
- Healthcare is a compelling growth equity opportunity. A 'Bricks and Clicks' pharmacy model — brick-and-mortar pharmacies tech-enabled under one brand, with own-brand generics and telemedicine added — illustrates the unit economics that work in African health markets.
- Venture capital in Africa is counter-cyclical, capital-efficient, and structurally undervalued. Investment in semiconductor design verification — partnering with leading chip architecture and EDA firms, with university hubs in Nigeria, South Africa, Rwanda, and Egypt — is the model for how Africa transitions from technology consumer to indispensable participant in the global digital supply chain.
- Energy access, waste recycling, insurance, and healthcare vocational training were all cited as underserved sectors with strong unit economics and measurable impact.



The Barriers — and What Exists to Address Them

The forum did not surface new problems. Every barrier named across the day and a half already has an instrument designed to address it. The gap seems to be more in the adoption.

BARRIER	INSTRUMENT THAT EXISTS
Currency instability: local currency risk is the single most cited operational constraint across every session.	Local currency investing improves returns relative to USD instruments when currency risk is properly priced. Businesses with local currency revenue models — as the family businesses panel showed — are structurally insulated without financial hedging.
The ten-year PE fund model does not always match Africa's investment reality. Infrastructure and impact investments often require longer terms.	Longer fund structures and patient capital models show this is viable. DFIs are also redesigning instruments to match longer timelines.
Capital markets are thin and fragmented outside Morocco, South Africa, and Egypt. Regulatory frameworks are not harmonised. Global investors still classify Africa as a single emerging-market risk category. The continent varies enormously by region, sector, and depth.	Pan-African stock market integration, building on regional integration models, simultaneously increases liquidity, lowers cost of capital, and creates exit pathways. Standardised impact reporting and better data make African fund performance comparable across managers on a common basis for the first time.
Early-stage capital is increasingly available. Late-stage growth capital is scarce. The scale-up gap persists across every sector discussed. DFIs supplied nearly 64% of African private capital commitments in 2025. Commercial capital pulled back at the first sign of global tightening.	Co-investment structures bridging family capital and institutional tranches can address the late-stage gap. They require deliberate design, not default PE formats. DFIs are shifting from primary capital supplier to architect of structures that attract commercial capital — using guarantees, first-loss positions and technical assistance to crowd in private investors rather than replace them.



Closing Observations

After the last session of the event, participants gathered again into working groups and shared what had shifted for them and what next steps they would take. Across seven breakout groups, four commitments recurred:

- Allocate time to understanding specific African fund managers — not Africa as a macro thesis but individual fund strategies and track records, using the kind of screening data presented in the data session.
- Actively seek co-investment structures alongside DFIs and foundations as a de-risking mechanism rather than a second-best option.
- Engage pension fund regulatory bodies in home countries to advocate for modest increases in alternative asset allocation limits — domestic market proof-of-concept as evidence.
- Return next year with a more specific mandate, a clearer capital commitment, or a co-investment proposal for at least one participant in this room.

Another recurring theme was the importance of visibility, coordination, and trusted relationships. Participants repeatedly noted that many capable fund managers, entrepreneurs, and institutions remain largely invisible to the investors and allocation committees that determine capital flows. Several discussions highlighted the need for stronger communities of practice, shared diligence infrastructure, and mechanisms that help bridge information gaps between local practitioners and global allocators.

The forum did not end with optimism as a default — it earned optimism through evidence. Africa recorded the only growth in deal volume of any global region in 2025. Exits are improving. Domestic capital is mobilising. Family capital is already building the ecosystem. The data is there.

What the room collectively committed to was not a set of aspirations but a set of specific actions. The distance between where the ecosystem is and where it needs to be is still large. But the people in this room are positioned to contribute to closing it.

Africa has the capital. The intermediation layer is being built. The question is who accelerates it, and how quickly.

What Comes Next

The conversations that started in Barcelona should not end here. We want to keep this community alive — sharing relevant developments, insights, and opportunities, and creating space for the dialogue to continue beyond this gathering.

If you would like to stay connected and be part of what we are building, click the link below to join the community: <https://form.typeform.com/to/o174erm6>