



United Nations
Economic Commission for Africa



AFRICA'S BI-ANNUAL ECONOMIC PERFORMANCE AND OUTLOOK

The Global Protectionist Policies Remain
a Concern for Africa

JANUARY – JUNE 2025

Key messages

- » Economic growth is expected to reach 3.9 per cent in 2025, underpinned by higher infrastructure investments, stabilizing commodity prices and increasing trade flows as countries embark on the implementation of the African Continental Free Trade Area. However, risks remain elevated emanating from the global protectionist policies and other structural vulnerabilities.
- » It is anticipated that inflationary pressures will ease in the medium term supported by declining food prices and stable currencies. Monetary policy will continue to be divergent across countries taking into account the level of inflation, policy uncertainty and domestic currency movements.
- » The fiscal outlook for 2026 remains favorable, amid external and domestic shocks. The outlook reflects fiscal consolidation efforts through expenditure rationalization and enhanced domestic revenue mobilization. However, debt service obligations continue to be high, thereby constraining fiscal space for development financing.

I. Growth Performance is expected to improve in 2025 supported by public investment

African economies have exhibited varying growth trajectories since the last quarter of 2024, reflecting the effects of diverse structural factors, external shocks, and policy responses. Recent forecasts show that Africa's real gross domestic product (GDP) growth is expected to reach 3.9 per cent in 2025, and average 4.2 per cent in 2026-2027, mainly supported by near-term public investment and fiscal reforms (International Monetary Fund [IMF], 2025a). However, external challenges remain elevated, including the prevailing geopolitical tensions and domestic disruptions in the aftermath of the elections in some countries.

Strategic infrastructure investments have contributed significantly to growth in several countries. Notably, Egypt's high-speed rail network and infrastructure initiatives with approximately \$23 billion in multi-year investment (Reuters, 2021). Nigeria's Lagos Free Trade Zone and Kenya's Konza Technopolis have also mobilized over \$50 million and \$280 million, respectively (International Finance Corporation, 2025). These projects not only enhance economic connectivity but also attract critical foreign direct investment

(FDI), reflecting improved investor confidence. Total FDI flows to Africa in 2024 amounted to \$97 billion, representing a 75 per cent rise in FDI, driven largely by a mega infrastructure project in Egypt (United Nations Conference on Trade and Development [UNCTAD], 2025a).

Resource-intensive economies, particularly crude-oil exporters such as Nigeria, Angola, and Algeria, experienced growth benefits from stabilizing global energy prices, underpinned by over 20 per cent increase in oil prices between late 2024 and early 2025. This recovery supported fiscal positions and stimulated broader economic activities. However, crude oil prices recently declined again to around \$60 per barrel, following global uncertainties stemming from United States tariffs, as the World Bank projects a significant 17.4 per cent decline in energy commodity prices for 2025. Expectations of weaker global demand, combined with an expected increase in oil production by the Organization of the Petroleum Exporting Countries are expected to further exert downward pressure on oil prices, hence improve inflation outlook, especially in oil importing countries (Reuters, 2025a). In contrast, agricultural commodities like cocoa and coffee are projected to have steady price increases of over 10 per cent throughout 2025, continuing their positive momentum from 2024. Export-dependent economies such as Côte d'Ivoire, Ghana, Cameroon, Ethiopia, Uganda,

and Tanzania are expected to benefit from higher export revenues driven by these price increases (World Bank, 2025a).

Implementation of the African Continental Free Trade Area positively influenced intra-African trade, increasing trade flows by approximately 12 per cent in 2024 according to early assessments from Economic Commission for Africa (ECA). The ECA anticipates 45 per cent increase in intra-African exports in 2045 from the implementation of the African Continental Free Trade Area compared to the baseline, boosting the continent's cross-border trade by approximately \$275.7 billion in that year, further contributing to economic diversification and resilience against global economic disruptions in the long run (Economic Commission for Africa, 2024).

Downside risks and uncertainties remain

Impact of global protectionist policies

The rise in global protectionism, particularly through recent United States tariff measures, will pose substantial challenges to African economies. Especially those with strong export relationships to the United States, such as Lesotho, Madagascar and South Africa. These countries will face considerable risks due to reduced market access and heightened uncertainty. Although the tariff policy is in its early stages of implementation, the net effect of protectionism remains negative due to overarching uncertainty and disrupted trade dynamics. These developments are expected to have significant impact on growth in Africa's trading partners globally, hence having substantial spillover negative effects on demand for goods and services from African countries. ECA estimates indicate that Africa's GDP growth is expected to decline by 0.04 percentage points in 2025, 0.06 percentage points in 2026 and 0.08 percentage points in 2027 if the recent increase in tariffs and the associated uncertainties are sustained. While the effect on African countries is generally limited, these effects are disproportionately large for some of the countries including Lesotho whose exports constitute about 10 per cent of the countries' GDP.¹

Debt vulnerabilities remain elevated

Persistent debt sustainability challenges remain a critical constraint to growth. Despite recent debt restructuring efforts in Ghana and Ethiopia and liability management measures by Kenya, high debt levels still restrict fiscal space, crowding out further productive investments and economic stabilization efforts. Furthermore, uncertainty negatively impacts investor sentiment, leading to higher borrowing costs and reduced investment inflows. While debt consolidation continues to ease fiscal pressures, recent Eurobond issuances demonstrate elevated refinancing costs. The IMF estimates that the median interest-to-revenue ratio remained above 12 per cent in 2024, indicating persistent fiscal pressures (IMF, 2024; IMF, 2025e).

In addition, already-in-place and anticipated reductions in Official Development Assistance (ODA) aggravate financial pressures, particularly for low-income and vulnerable economies. United Nations Conference on Trade and Development (UNCTAD) forecasts a 6.8 per cent real-term reduction in ODA to Africa, noting that geopolitical challenges strain these vital financial flows. In 2023, ODA to Africa declined by almost 7 per cent to \$74 billion, underscoring shifting donor priorities and heightened financial vulnerabilities (UNCTAD, 2025c). Increasing domestic revenue mobilization through more efficient tax regulations and administration is essential to mitigate the impact of reduced external funding and alleviate fiscal pressures among African countries. The integration of machine learning into macroeconomic management is also key to achieving effective resource mobilization as well as inclusive and transparent fiscal governance. Machine learning supports performance-based budgeting and enables data driven vigilance and efficiency in tax and customs administration, closing leakages while reducing human burden. Enhanced regulatory environments, governance reforms, and infrastructure development remain critical prerequisites for substantial growth opportunities.

¹ Calculations based on COMTRADE data

Despite having moderate impact on African economies, the uncertainty surrounding United States domestic and trade policies, and especially the outcome of negotiations with major trading partners exerts downside risks to developing economies especially those most exposed to trade with the United States, China and the European Union. However, ECA finds the near-term regional growth prospects remain positive, despite recent downward revisions due to global and regional uncertainties.

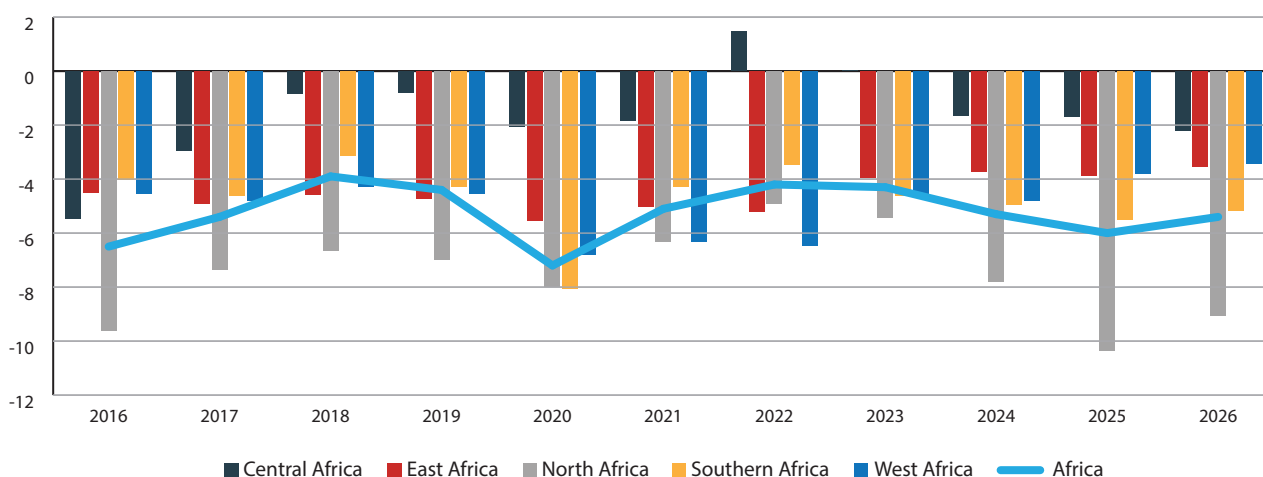
II. Fiscal imbalances amidst high uncertainty

African countries have grappled with considerable fiscal pressures in the aftermath of the coronavirus disease (COVID-19) pandemic, as they seek to manage high public debt burdens, rising interest rates, and growing public expenditure demands. Fiscal space remains acutely constrained, driven by persistent debt vulnerabilities, elevated borrowing costs, a stronger United States dollar, and subdued global economic activity. Consequently, many governments are expected to pursue tighter fiscal policies aimed at narrowing budget deficits and reducing debt burdens. The average fiscal deficit is projected to return to pre-pandemic levels by 2025–2026, as countries gradually consolidate their fiscal positions through expenditure rationalization and enhanced domestic revenue mobilization.

Specifically, average fiscal deficits are expected to widen from -5.3 per cent of GDP in 2024 to -6.0 per cent in 2025, before narrowing to -5.4 per cent in 2026 (Figure 1). The temporary widening in 2025 reflects a modest deterioration in the primary balance, suggesting a slowdown in the pace of fiscal consolidation. This occurred despite some relief in fiscal pressures in countries such as Ghana, Zambia, and Ethiopia, where ongoing debt restructuring has been accompanied by austerity measures (African Development Bank [AfDB], 2025). Overall, the anticipated fiscal weakening in 2025 is largely attributable to declining government revenues - particularly from taxes and oil exports - alongside rising public expenditures, notably on infrastructure development and debt servicing (AfDB, 2025a).

At the subregional level, all African regions—except West Africa—are projected to experience a widening of their fiscal deficits in 2025. North Africa is expected to record the largest deterioration, with its average fiscal deficit increasing from -7.8 per cent in 2024 to -10.4 per cent of GDP in 2025 (figure 1). This widening is primarily driven by reduced tax revenues, rising debt service obligations, widening trade deficit, and declining remittances from expatriate workers (AfDB, 2025a). Southern Africa follows with a projected widening of deficit from -4.93 per cent of GDP in 2024 to -5.48 per cent in 2025, mainly due to surging debt servicing costs that are constraining the subregion’s fiscal space.

Figure 1: Fiscal Deficit (General government net lending/borrowing) as per cent of GDP, 2019-2026



Source: ECA calculations based on IMF (2025a)

In East Africa, the average fiscal deficit is forecasted to increase slightly, from -3.73 per cent of GDP in 2024 to -3.85 per cent in 2025. This modest deterioration reflects lower tax revenues and reduced grant inflows, partially offset by relatively stable interest payments under the debt service moratorium agreed with a major creditor, Exim Bank of China, which remains in effect until 2028 (AfDB, 2025a).

In Central Africa, fiscal deficit is projected to remain moderate from 1.64 per cent in 2024 to 1.67 per cent in 2025, the lowest average fiscal deficit across subregions in both 2025 and 2026. This is largely attributed to resurgence in economic activity, supported by favourable global commodity prices—notably for crude oil, natural gas, minerals, and other primary exports (AfDB, 2025a).

By contrast, West Africa is projected to improve its fiscal position, which is expected to narrow its average budget deficit from -4.8 per cent in 2024 to -3.8 per cent in 2025, driven by fiscal consolidation efforts in countries such as Côte d'Ivoire, Ghana, Nigeria, and Sierra Leone (AfDB, 2025a).

Overall, Africa's fiscal position remains highly vulnerable to both external and domestic shocks, constraining governments' ability to manage public finances effectively, undermining their ability to respond to shocks. Fiscal rules can play a vital role in promoting fiscal sustainability by offering a sound framework for budgeting and debt management. However, despite the adoption of fiscal rules in many African countries, enforcement remains a key challenge. Striking a balance between fiscal discipline and the need for growth-oriented public spending continues to be a critical challenge amidst constrained fiscal space. Yet, innovative financing instruments to overcome this constrained fiscal space have not been fully explored or exploited, and this is an area that countries need to invest more attention.

Public debt remains elevated amidst growing debt service burden

Due to the ongoing sustained fiscal consolidation efforts across many African countries, public debt ratios have broadly stabilized but remain significantly above pre-COVID-19 levels. Debt service obligations continue to be high by both historical and global standards, thereby constraining fiscal space for development financing. Many African countries dedicate a larger share of their budget on interest payments than on health, education or investment for development. During the period 2021-2023, African countries spend \$70 per capita on interest payments in excess of \$44 and \$63 per capita spend on health and education, respectively. More than half of Africa's population lives in countries where interest payments exceed development spending, which exacerbates the situation of vulnerable populations (UNCTAD, 2025b). The continent's average debt-to-GDP ratio is projected to rise marginally from 66.8 per cent in 2024 to 67.2 per cent in 2025, before declining slightly to 66.9 per cent in 2026 (Figure 2). However, these average masks considerable variation across countries, with debt levels remaining particularly elevated in several economies.

The stabilization of debt indicators has been facilitated by an easing of global financial conditions, a gradual post-pandemic economic recovery, and the implementation of fiscal consolidation measures in most countries. Following two years of restricted access to international capital markets and heightened debt servicing costs, African sovereign bond spreads have narrowed. This has enabled several countries—including Benin, Côte d'Ivoire, Kenya, and Senegal—to return to international markets with new bond issuances. Nonetheless, these borrowings have been undertaken at higher yields than in the past, reflecting continued investor caution (AfDB, 2025a). The perceived high risk associated with lending to African economies is because the proceeds from new Eurobond issuances is either being used to refinance old bonds or to finance ongoing fiscal spending. To get favorable access to international capital

markets, African countries must maintain fiscal discipline and create an environment conducive to investment (African Peer Review Mechanism and ECA, 2025).

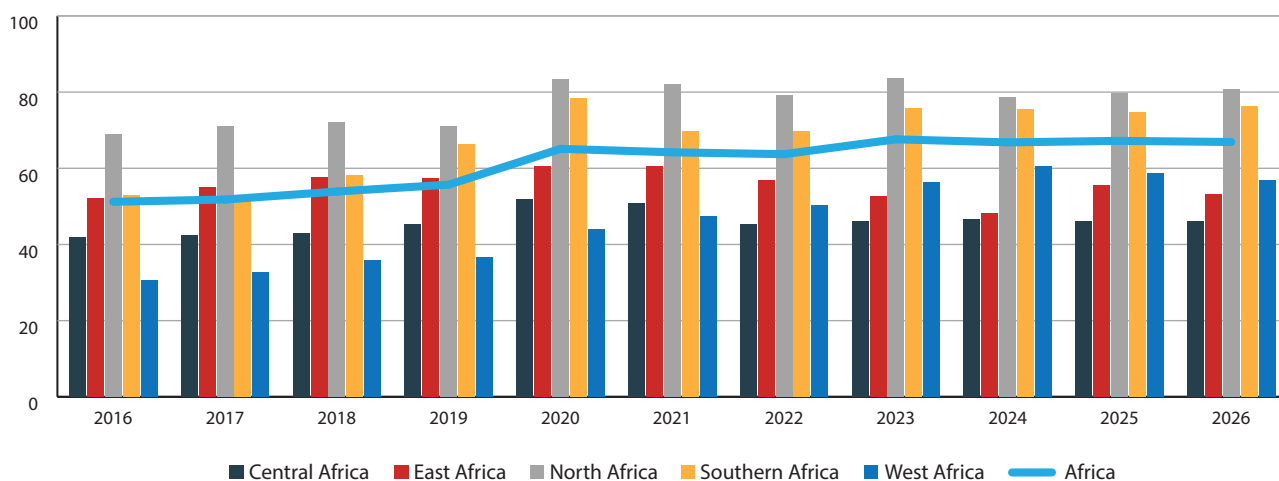
Recent policy reforms have further contributed to improved fiscal management. Notably, reallocating resources away from inefficient expenditures—such as generalized fuel subsidies—toward high-impact sectors like infrastructure, human development, and climate adaptation. Infrastructure spending inefficiencies, which are estimated at 30–40 per cent, can be curbed through improved governance, enhanced transparency, and the adoption of digital tools such as e-procurement platforms and blockchain technology (Shwartz et al., 2020; Amaglobeli et al., 2023). The (partial or full) removal of fuel subsidies in countries such as Angola, Guinea, Kenya, and Nigeria, and announced subsidy reform plans in Senegal and Egypt for 2025, have supported fiscal consolidation (AfDB, 2025a). In addition, ongoing debt restructuring efforts in Ghana, Zambia, and Ethiopia have helped reinforce a shift towards more prudent fiscal practices. This is while noting that, even though measures have been adopted to reform the international financial architecture, more needs to be done to ensure that debt restructurings through the Group of Twenty Common Framework are timely, orderly and effective.

Despite these positive developments, debt vulnerabilities remain elevated. Persistently high borrowing costs and currency depreciation pressures continue to weigh on debt dynamics, preventing a return to pre-pandemic debt ratios. In 2025, North Africa is expected to register the highest average debt-to-GDP ratio at 79.6 per cent, followed by Southern Africa (74.6 per cent), West Africa (58.7 per cent), East Africa (55.6 per cent) and Central Africa (45.9 per cent) (Figure 2).

With debt servicing absorbing up to 12 percent of revenues in many countries—compared to 4 per cent in advanced economies— as well as limited revenue mobilization ability, declining ODA, and low growth prospects, their ability to finance critical spending such as on education, health and infrastructure remains constrained. This is despite countries such as Benin, Côte d'Ivoire, Liberia, Nigeria, and Senegal expanding their tax base, reducing tax exemptions, and strengthening tax administration, especially through digitalization to strengthen their domestic resource mobilization (Benitez et al. 2023).

The median interest-to-revenue ratio in Africa exceeded 12 per cent in 2024 and is projected to remain elevated, underscoring constrained access to concessional finance and a growing reliance on high-cost market-based borrowing (IMF, 2025c). Debt vulnerabilities across the region remain acute amid persistent uncertainty and exposure to a range of external shocks. These include subdued

Figure 2: Gross Government Debt in Africa by subregion, 2020–2026



Source: ECA calculations based on IMF (2025a)

global growth prospects, volatile international financial conditions, declining official development assistance, geopolitical conflicts, commodity price fluctuations, and climate-induced disasters—all of which have the potential to significantly exacerbate debt burdens.

Tight external financing conditions also elevate rollover risks, especially for countries with large debt maturities and limited refinancing options. Although debt restructuring is sometimes necessary, it remains a socially costly and administratively complex process (Bonizzi et al., 2019; Horn et al., 2022). The growing debt-servicing burden is increasingly constraining fiscal space for critical public investment and essential services, particularly in the areas of infrastructure, health, and education. As of March 2025, seven African countries were assessed to be in debt distress, while an additional eleven were classified as being at high risk of debt distress (IMF, 2025d).

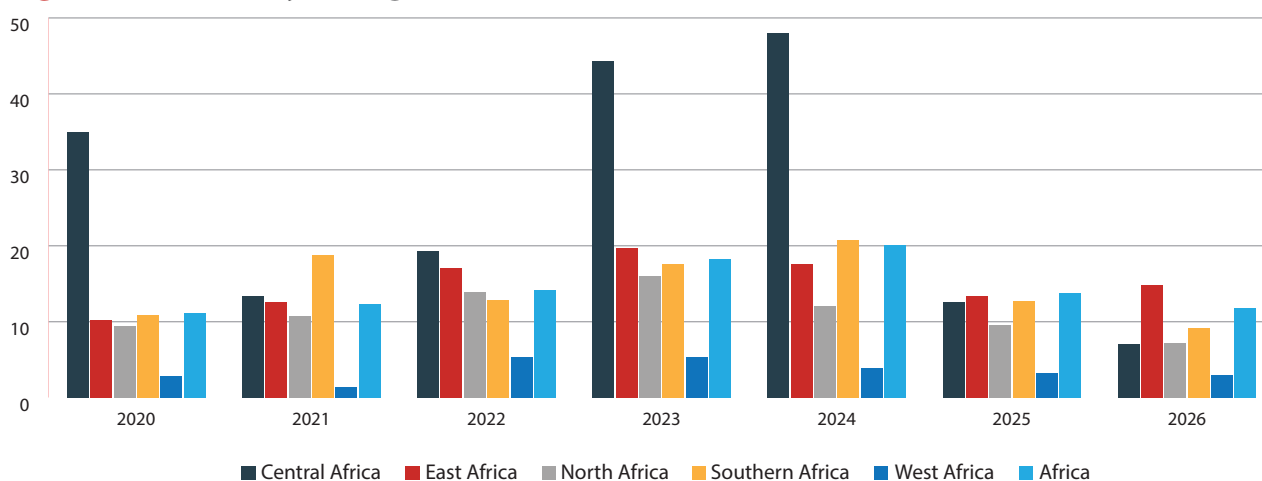
III. Expected disinflation at regional level despite inflation remain high in some countries

The average inflation rate rose from 18.2 per cent in 2023 to 20.1 per cent in 2024 as shown in figure 3. Countries such as Egypt, Malawi, South Sudan, Sudan and Zimbabwe continued to have double

digit inflation rates or more in 2024 (United Nations, 2025). The acceleration reflected the persistently high food prices in some countries with double-digit (or more) rates of headline inflation. Even though the average inflation rate increased, about 36 countries experienced slight disinflation in 2024 (United Nations, 2025). Stabilizing currency movements, effects of tight fiscal and monetary policies, and easing supply chain pressures may all be attributed to the decline in the majority of countries (World Bank, 2025b). The inflation rate is projected to decline to an average of 13.8 per cent and 11.8 per cent in 2025 and 2026, respectively, as shown in figure 3. The number of countries with double digit inflation is projected to decline from 15 in 2024 to 8 by 2026 (IMF, 2025a). However, risks remain skewed to the upside underpinned by possible commodity prices and exchange rate volatility and adverse weather conditions by the end of the year.

Disinflation is expected in all subregions largely driven by declining food inflation and more stable currencies. In Southern Africa inflation is forecast to decline from an average of 48.0 per cent in 2024 to 12.6 per cent and 7.0 per cent in 2025 and 2026, respectively (IMF, 2025a). The monetary and currency stability in Zimbabwe, containment of inflation in the Common Monetary Area countries will contribute to the disinflation (Reserve Bank of Zimbabwe, 2025 and Oxford Economics, 2025a). Inflation in Malawi remains in double digits as it faces some rising inflationary pressures

Figure 3: Inflation by subregion, 2020-2026



Source: ECA calculations based on IMF (2025a)

underpinned by higher maize prices, currency weaknesses, rapid money supply growth, and higher electricity tariffs (Oxford Economics, 2025a). Easing price pressures in West Africa from 17.6 per cent in 2024 to 14.8 per cent in 2026, reflect rebasing of the consumer price index to 2024, moderating fuel prices and a stable exchange rate in the subregion's largest economy, Nigeria, as well as currency stability and lower commodity prices in Ghana (Oxford Economics, 2025b).

Similarly, inflation is projected to decelerate in East Africa by 2.4 percentage points to 9.6 per cent in 2025 and by 2.5 percentage points to 7.2 per cent in 2026. The expected deceleration in Uganda is attributed to lower commodity prices and stable currency (Bank of Uganda, 2025), while lower prices in Rwanda are supported by improved agricultural production and lagged effects of tight monetary policy (National Bank of Rwanda, 2025). In North Africa, the average inflation is forecast to decelerate from 20.8 per cent in 2024 to 12.7 per cent in 2025 before recording 9.2 per cent in 2026. However, inflationary pressures remain elevated due to subsidy cuts and a weaker exchange rate in Egypt alongside wage increases and central bank fiscal deficit financing. Central Africa is estimated to register the lowest average inflation rate at 3.2 per cent and 3.0 per cent in 2025 and 2026, respectively, reflecting the hard peg currency regime which is associated with inflation discipline and confidence (World Bank, 2024). Inflation in the Central African Economic and Monetary Community is expected to return to the regional 3.0 per cent convergence criterion by 2026 and beyond supported by lagged effects of tight monetary policy and declining global food prices (IMF, 2025b).

In line with the variable inflation developments across the countries, there is divergence in their monetary policy responses. During the first quarter of 2025 some countries kept their policy rates unchanged, others continued the easing cycle while others further tightened their monetary policy. For some countries with high inflation rates, monetary policy remains tight to curb inflationary pressures and support economic growth. The central bank of Ghana has hiked its policy rate in response to

high inflationary pressures in March 2025. Central banks in Ethiopia, Nigeria, Zimbabwe and Uganda have paused the hiking cycle while those in Egypt and Kenya have reduced policy rates reflecting anchored and stable inflation expectations and support for economic activity (Bank of Ghana, 2025; National bank of Ethiopia, 2025; Central bank of Nigeria, 2025; Reserve bank of Zimbabwe, 2025; Bank of Uganda, 2025; Central bank of Egypt, 2025; Central bank of Kenya, 2025). The monetary policy stance will remain differentiated across countries based on the level of inflation, policy uncertainty and currency movements. Decisions by the US Federal Reserve Bank may not affect monetary policy responses in Africa as central banks are more focused on maintaining domestic price stability and supporting their respective exchange rates (Oxford, 2025a).

Exchange rates remain stable

Exchange rate dynamics remain one of the main risks to inflation estimates and likely to be pressured by the US administration's imposition of tariffs. However, some African currencies stabilized from 2024 as financial conditions became less restrictive and the gains from foreign exchange market reforms began to materialize.

The Kenya shilling remained stable at around 129.30 shillings against the dollar from January to mid-May 2025, supported by accumulation of international reserves, IMF Externed Fund Facility and the narrowing of the trade deficit (Cytonn, 2025). The currency will remain stable in the near term underpinned by higher capital inflows, remittances and agricultural exports due to the positive effect of the government subsidy on fertilizers. The South African rand slightly depreciated by 0.5 per cent from 18.18 rands per dollar in December 2024 to 18.28 rands per dollar in mid-May 2025, in response to the global risk aversion and concerns about the government of national unity and domestic growth prospects (Stanlib, 2025). The Nigerian naira weakened by 3.2 per cent from 1554.93 naira per dollar in December 2024 to 1605.42 naira per dollar in mid-May 2025. This relative stability reflects the impact of policy measures by the Central Bank of Nigeria,

including the introduction of the Electronic Foreign Exchange Market System, which has enhanced transparency, improved liquidity, and supported more effective price discovery in the foreign exchange market; and the \$200 million forex injection to support investor confidence and maintain economic stability (PWC, 2025). The Egyptian pound remained steady at 50.5 bolstered by a more flexible exchange rate regime and IMF programme (Reuters, 2025b). The Communauté financière africaine franc remained relatively stable for the period January-May 2025, depreciating by 7.1 per cent to 581.62 francs per dollar bolstered by its peg to the euro (AfDB, 2025b).

IV. Conclusion

The economic outlook for Africa is improving in the short to medium term in line with the expected economic growth and easing inflationary pressures. Growth projections suggest an increase to 4.1 per cent over the 2025-2027 period, supported by public investment, trade, easing inflation and stable currencies. However, African countries continue to face both macroeconomic and structural vulnerabilities including sovereign debt challenges amid high borrowing costs, hindering them from achieving sustainable development, as evidenced by the high number of countries in debt distress. Even though Africa has shown remarkable resilience in terms of growth and resistance to external shocks, it is constrained by heightened global and regional risks and uncertainties as well as geopolitical tensions. The recent global protectionism policies are expected to have adverse effects on the continent due to overarching uncertainty and disrupted trade dynamics. The following policies can be adopted to address some of the macroeconomic challenges that the continent is facing:

- » Accelerate the implementation of the African Continental Free Trade Area: Africa needs home-grown solutions for its development challenges. Africa's quest for deeper integration through the acceleration of the implementation of the African Continental

Free Trade Area is an imperative for Africa to double down on its economic diversification and structural transformation efforts. This also plays the role of a shock-absorber, such as the impacts of higher tariffs imposition to African exports to the United States. Driven by industrialization and diversification, a successful African Continental Free Trade Area could thus significantly boost Africa's trade and drive transformational change. The African Continental Free Trade Area can help address continent's key challenges like energy gaps and food insecurity. This can be achieved by fostering cross-border trade in energy products and encouraging African countries to adopt renewable energy technologies, and by enhancing food market integration and boosting intra-African food trade, helping reduce the impact of climatic events on production and prices. In the face of changing global trade landscape, the African Continental Free Trade Area provides a platform for African countries to reduce dependence on external markets and build resilience from within.

- » Monetary policy growth support: In line with the expected disinflation, monetary policy measures should continue to maintain price stability, while supporting growth and complementing fiscal efforts. Countries with easing inflationary pressures should transition to an accommodative stance to ensure confidence in achieving price stability and boosting private investment. Where inflation remains relatively high, countries should continue to tighten monetary policy to reduce inflation and cost of living. Central banks must ensure complementarity between the goals of price stability and financial stability, as well as strengthened coordination between fiscal policy and monetary policy with the aim of supporting the countries' growth.

- » Scaling up domestic resource mobilization: African countries have to scale up domestic resource mobilization efforts to finance sustainable development. Governments

need to strengthen their fiscal systems to promote progressivity and resilience while also promoting effective and equitable government spending. Combatting tax evasion and avoidance, tackling illicit financial flows and addressing corruption are critical in mobilizing additional domestic resources to ensure progression towards sustainable development goals. The national efforts in effective domestic resource mobilization should be supplemented with international cooperation through, among others, inclusive and effective international tax cooperation and adoption of measures to combat tax evasion and illicit financial activities.

- » Effective debt management: African countries have to strengthen their debt management systems to improve transparency and accountability in domestic and external debt. With the increasing number of countries at risk of debt distress, debt relief and restructuring measures are needed to avoid devastating debt crises with long-lasting threats to development. International cooperation is also key towards achieving debt sustainability. Even though measures have been adopted to reform the international

financial architecture, more needs to be done to ensure that debt restructurings are timely, orderly and effective. Africa needs debt architecture that provides debt relief and restructuring to vulnerable countries while providing immediate debt suspension to countries in need.

- » Accelerate sustainable financing: Africa faces a wide funding gap towards achieving sustainable development, and persistent underfunding and fragmentation of climate finance, amid declining official development assistance. Mobilizing the substantial financing needed to reduce this gap will require enhanced private sector participation and innovative financing mechanisms. Over and above mobilizing resources domestically, governments have to attract capital from the private sector for investments in sectors such as renewable energy infrastructure and manufacturing. African countries must also leverage innovative financing tools such as green/blue bonds, debt-for-nature swaps, infrastructure investment trusts, and tax-efficient trusts to scale up financing for development.

References

- African Development Bank (2025). Africa's Macroeconomic Performance and Outlook - January 2025.
- Amaglobeli, D., et al. (2023). *Digitalization and Public Finance Efficiency*. IMF.
- African Peer Review Mechanism and Economic Commission for Africa (2025). Africa Sovereign Credit Rating Outlook Report No. G&SR-CRA04/2024 Year-End Review 10th Edition. Available at <https://aprm.africa.int/sites/default/files/files/2025-02/10th-edition-csr-eng.pdf>. Accessed on 13 August 2025.
- Bank of Ghana (2025). MPC Press release. Available at <https://www.bog.gov.gh/wp-content/uploads/2025/03/MPC-Press-Statement-March-2025-1.pdf>. Accessed on 07 May 2025.
- Bank of Uganda (2025). MPC Statement. Available at <https://www.bou.or.ug/bouwebsite/bouwebsitecontent/MonetaryPolicy/Monetary-Policy-Statements-At-a-Glance/2025/Feb/Monetary-Policy-Statement-at-a-glance-and-FAQS-Feb-2025.pdf>. Accessed on 08 May 2025.
- Benitez, D., et al. (2023). *Domestic Revenue Mobilization in Africa*. IMF.
- Bonizzi, B., Laskaridis, C., and Toporowski, J. (2019). *Public Debt and the Eurozone Crisis*. Institute for International Political Economy.
- Central bank of Egypt (2025). MPC Statement. Available at https://www.cbe.org.eg/-/media/project/cbe/listing/mpc-meetings/2025/english/eng__mpc-press-release-apr-17-2025.pdf. Accessed on 08 May 2025.
- Central bank of Kenya (2025). MPC Statement. https://www.centralbank.go.ke/uploads/mpc_press_release/2072351219_MPC%20Press%20Release%20-%20Meeting%20of%20April%208%202025.pdf. Accessed on 08 May 2025.
- Central bank of Nigeria (2025). MPC statement. Available at <https://www.cbn.gov.ng/Out/2025/CCD/PERSONAL%20STATEMENTS%20OF%20MPC%20MEMBERS%20FEBRUARY%202025%20MEETING%20AND%20COMMUNIQUE.pdf>. Accessed on 09 May 2025.
- Cytonn (2025). Kenya currency and interest rates review. Available at <https://cytonn.com/topicals/kenya-currency-and-1>. Accessed on 16 May 2025.
- Economic Commission for Africa (2024). Investing in a Just and Sustainable Transition in Africa. Available at <https://www.uneca.org/economic-report-on-africa-2024>. Accessed on 20 August 2024.
- Horn, S., Reinhart, C., Trebesch, C., and Witte, M (2022). *Sovereign Debt in the 21st Century*. Kiel Institute for the World Economy.
- IMF (2024). Global Debt Monitor. Available at <https://www.imf.org/external/datamapper/GDD/2024%20Global%20Debt%20Monitor.pdf>
- IMF (2025a). World economic outlook database April 2025. Available at <https://www.imf.org/en/Publications/WEO/weo-database/2025/april>. Accessed on 07 May 2025.
- IMF (2025b). Central African Economic and Monetary Community: Press Release; Staff Report; and Statement by the Executive Director. Washington, DC: International Monetary Fund.
- IMF (2025c). *Fiscal Monitor: Fiscal Policy under Uncertainty*. Washington, DC: International Monetary Fund.
- IMF (2025d). *List of LIC DSAs for PRGT-Eligible Countries as of March 31, 2025*. Available at <https://www.imf.org/external/pubs/ft/dsa/dsalist.pdf>. Accessed on 05 May 2025.
- IMF (2025e). Available at <https://www.imf.org/en/Publications/REO/SSA/Issues/2025/04/25/regional-economic-outlook-for-sub-saharan-africa-april-2025>

International Finance Corporation (2025). *IFC Invests in Lagos Free Zone to Support Industrial Growth and Economic Diversification in Nigeria*. Available at <https://www.ifc.org/en/pressroom/2025/ifc-invests-in-lagos-free-zone-to-support-industrial-growth-and-economic-diversifi>. Accessed on 20 August 2025.

Konza Technopolis Development Authority (2024). *Kenya signs a financing agreement with Republic of Korea for the development of a digital media city at Konza Technopolis*. Available at <https://konza.go.ke/kenya-signs-a-financing-agreement-with-republic-of-korea-for-the-development-of-a-digital-media-city-at-konza-technopolis/>. Accessed 20 August 2025.

National bank of Ethiopia (2025). *MPC meeting no2*. Available at <https://nbe.gov.et/monetary-policy-committee-meeting-no-2/>. Accessed on 07 May 2025.

National Bank of Rwanda (2025). *MPC Press Release*. Available at https://www.bnr.rw/documents/MPC_Press_Release__Feb._2025_English.pdf. Accessed on 08 May 2025.

Oxford economics (2025a). *Africa: Forecaster's Note – Currency weakness heats price pressures*. Available at <https://my.oxfordeconomics.com/reportaction/73567ff59834430fa7fa31/Toc?SearchTerms=central%20bank>. Accessed on 05 May 2025.

Oxford economics (2025b). Available at <https://my.oxfordeconomics.com/reports/aB1c444eD1Bf4Afa9308B2/GhanaGovernmentzones?searchHighlight=africa#aB1c444eD-1Bf4Afa9308B2:GhanaGovernmentzones:Forecastoverview>. Accessed on 09 May 2025.

PricewaterhouseCoopers (2025). *Global economic policy changes and implications for Nigeria*. Available at <https://www.strategyand.pwc.com/a1/en/assets/pdf/ng-economic-outlook/global-economic-policy-changes-implications-for-nigeria.pdf>. Accessed on 15 May 2025.

Reserve bank of Zimbabwe (2025). *Resolutions Of the Monetary Policy Committee Meeting Held On 28 March 2025*. Available at https://www.rbz.co.zw/documents/mps/2025/Press_Statement.pdf. Accessed on 05 May 2025.

Reuters (2021). *Egypt says reviewing \$23 billion high-speed train network with Siemens*. Available at <https://www.reuters.com/article/world/middle-east/egypt-says-reviewing-23-billion-high-speed-train-network-with-siemens-idUSKBN29I2V9/>. Accessed on 21 August 2025.

Reuters (2025a). *OPEC+ set to agree July oil output hike this week, sources say*. Available at <https://www.reuters.com/business/energy/opec-set-agree-july-oil-output-hike-this-week-sources-say-2025-05-27/>. Accessed on 20 August 2025.

Reuters (2025b). *Egyptian pound steadies after devaluation, IMF deal*. Available at <https://www.reuters.com/world/africa/egyptian-pound-stable-after-devaluation-imf-deal-2024-03-07/>. Accessed on 15 May 2025.

Shwartz, J., et al (2020). *Infrastructure Governance Review*. World Bank.

Stanlib (2025). *Navigating Uncertainty: The South African Rand (ZAR) Outlook*. Available at <https://stanlib.com/2025/04/15/navigating-uncertainty-the-south-african-rand-zar-outlook/>. Accessed on 15 May 2025.

United Nations Conference on Trade and Development - UNCTAD (2025a). *World Investment Report: International Investment in the Digital Economy*. United Nations, Geneva. Available at https://unctad.org/system/files/official-document/wir2025_overview_en.pdf. Accessed on 12 August 2025.

UNCTAD (2025b). *A world of debt: It is time for reform*. Available at <https://unctad.org/publication/world-of-debt>. Accessed on 13 August 2025.

UNCTAD (2025c). Aid at the crossroads: Trends in official development assistance. Available at <https://unctad.org/publication/aid-crossroads-trends-official-development-assistance>. Accessed on 20 August 2025.

United Nations (2025). World Economic Situation and Prospects as of mid-2025. Available at World Economic Situation and Prospects as of mid-2025 | DESA Publications. Accessed on 27 May 2025.

World Bank (2024). *Currencies and inflation across Sub-Saharan Africa in 2024: Divergent experiences*. Available at <https://blogs.worldbank.org/en/african/currencies-and-inflation-across-sub-saharan-africa-in-2024-divergent-experiences-afe-1124>. Accessed on 07 May 2025.

World Bank (2025a). Pink Sheet – Commodity Markets. Available at <https://www.worldbank.org/en/research/commodity-markets#3>. Accessed on 20 August 2025.

World Bank (2025b). Improving Governance and Delivering for People in Africa. Africa's Pulse, No. 31 (April 2025). World Bank, Washington, DC.