



MEDIA RELEASE

KPMG Unlocking Africa's Green Energy Potential through effective financing models.

Africa Heads of State Energy Summit 2025

27 January 2025 – Africa stands at the forefront of the global green energy transition, with vast reserves of critical minerals essential for clean energy solutions. KPMG South Africa, in partnership with the African Development Bank, is proud to participate in the Africa Heads of State Energy Summit taking place on the 27th and 28th of January 2025 in Dar Es Salam, where industry leaders, policymakers, and investors will convene to explore opportunities to leverage Africa's natural resources to drive sustainable economic growth and bridge the continent's funding gap.

Africa is home to approximately 30% of the world's critical minerals required to power the energy transition. This presents a significant opportunity to attract investment, fast-track development, and achieve key Sustainable Development Goals (SDGs). However, challenges such as currency and convertibility risks have traditionally hindered large-scale financing efforts.

"The demand for critical minerals will continue to grow exponentially over the next 30 years, and Africa's role in the global energy transition cannot be overstated. To unlock this potential, it is essential to implement innovative financing mechanisms that address currency and convertibility risks," said **Auguste Claude-Nguetsop, Partner & Financial Service Sector head at KPMG Southern Africa**. "By leveraging Africa's resource wealth, we can create an environment that attracts investment at lower costs and accelerates infrastructure development."

At the Africa Energy Summit, KPMG South Africa will contribute insights on the African Development Bank's (AfDB) proposed currency convertibility mechanism. This innovative approach seeks to mitigate exchange rate risks by utilising a non-circulating currency backed by a diversified basket of Africa's critical commodities. This mechanism aims to:

- Reduce the cost of capital for clean energy projects.
- Encourage cross-border financial cooperation and integration.
- Strengthen Africa's bargaining position in global resource markets.

Wale Shonibare, Director, Energy Financial Solutions, Policy & Regulations, African Development Bank, stated: "Africa's green energy future depends on unlocking innovative financial solutions that empower the continent to harness its vast mineral wealth. The AfDB's currency convertibility mechanism will play a crucial role in stabilising investment flows and accelerating sustainable development."

"The economic impact of leveraging Africa's critical mineral wealth is profound," said **Frank Blackmore, Lead Economist at KPMG South Africa**. "By addressing financial constraints and mitigating currency risks, we can unlock new economic opportunities, enhance industrialisation, and drive sustainable growth across the continent."

This financing paradigm shift has the potential to significantly narrow Africa's \$400 billion annual funding gap and support the continent's sustainable development goals.

By pooling natural resources strategically, Africa can harness the power of collaboration to ensure long-term energy security and economic prosperity.

“KPMG South Africa remains committed to partnering with key stakeholders such as the African Development Bank to unlock Africa's energy potential by bringing forth key strategic solutions to Africa’s financing models for a more robust and sustainable future,” concludes **Claude-Nguetsop**.

ENDS.

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