



Bridging perception and reality in Africa's resource strategy

Amid rising global competition for critical resources, Africa is emerging as a central player in shaping new supply chains and strategic partnerships. ATIDI is working to close the gap between perceived and real risk, mobilising capital and strengthening the foundations of Africa's emerging resource diplomacy.

In today's world of geopolitical rivalries, the race for critical resources is intensifying. This new scramble is not for territorial acquisition, as in the 19th century, but for access to markets, artificial intelligence, business influence, and industrial resilience. From energy reserves and rare earth elements to arable land and green transition materials, nations are repositioning themselves to secure the building blocks of future prosperity.

At centre stage in this global realignment stands Africa, endowed with a population of around 1.5 billion alongside immense natural wealth and untapped potential. Often perceived as a peripheral supplier of mineral resources, Africa is emerging as a pivotal actor in resource diplomacy, shaping the contours of global supply chains, sustainability agendas, and strategic geopolitical partnerships that will define the course of history in the 21st century.

In Africa's resource-rich economies, perception and reality often diverge. While the continent possesses some of the world's largest mineral and energy resources and other vital commodities, global investors continue to assess its opportunities through a lens of heightened risk. For African Trade and Investment Development Insurance (ATIDI), this perception gap represents both a challenge and an opportunity for business development.

Mandated by African heads of state and governments in the early 2000s, ATIDI has nurtured African regional trade and investment since its inception through its risk mitigation instruments and strategic partnerships. This year marks ATIDI's 25-year anniversary. Over the past quarter century, it has facilitated more than USD 88 billion in trade and investment across its member states, bridging the gap between investors and governments and helping turn Africa's resource diplomacy into tangible, investable outcomes for its development.

The landscape of strategic tensions in Africa

Africa's rich resource economies from copper and cobalt in the DRC to lithium in Zimbabwe and Mozambique, continue to face conflicting imperatives. The continent holds significant shares of several critical minerals yet attracts a disproportionately small share of global investment in energy transition projects, according to UNCTAD and the IMF. While Africa must mobilise adequate capital to industrialise and power its economies, international and domestic investors demand stable returns, regulatory certainty, and political risk mitigation to protect their investments. Meanwhile, African governments are struggling to balance fiscal stability,



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domestic political unrest and extremism, and the demands of climate change and environmental stewardship.

Drawing on an expanding product suite and a growing membership, ATIDI has been instrumental in shifting insurance-based de-risking from theory to practice across Africa. It deploys risk mitigation instruments such as commercial and political risk insurance, breach of contract cover, and the Regional Liquidity Support Facility (RLSF). Collectively, these have supported substantial renewable energy and infrastructure investment projects across the continent. ATIDI's role is not just to mitigate risk but to realign global perception with Africa's present realities.

Navigating energy and mineral frontiers

The Ituka West Nile 20 MW solar project in Uganda provides a clear example of ATIDI's liquidity support through its RLSF. By bridging revenue certainty gaps, ATIDI reduced the project's risk, attracted private capital, and enabled clean energy deployment in a part of Uganda that previously lacked an adequate energy supply. Similarly, in Mozambique's emerging lithium corridor, ATIDI's guarantee structures are being explored to secure investor confidence amid commodity price swings, political tension, and volatility in that region of the country. In Cameroon and Zambia, ATIDI-backed projects have been pivotal, and we continue to see how strategic risk mitigation solutions in these countries are translating into tangible development impact.

ATIDI's supported interventions are demonstrably improving project bankability for energy and mineral projects across its member states, resulting in significant pre-claim cures and targeted claims payments, reflecting its effectiveness in resolving non-payment incidents.



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The Africa outlook: Turning tension into advantage

Africa's development story continues to be defined by how African sovereigns manage the tensions between ambition and restraint, and between strategic national priorities and global expectations. Africa's sovereign debt situation remains complex, varying significantly across countries – but several key trends and challenges are shared across the region.

Rising public debt levels are a broad concern, with average public debt-to-GDP ratio in Africa projected to be around 65%, according to the IMF and African Development Bank (AfDB) estimates – slightly above the pre-pandemic levels of 50–55%. Several African countries now exceed the 70% debt-to-GDP threshold, generally considered risky for developing economies.

Some highly vulnerable African countries such as Ghana, Zambia, and Ethiopia remain in debt distress and are undergoing debt restructuring processes under the World Bank and IMF's Debt Sustainability Framework, Paris Club creditors, and the G20 Common Framework for Debt Treatment to promote longer-term, predictable debt resolution and fair burden-sharing among lenders and creditors.



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Approximately 600 million people in Africa still lack basic access to electricity despite the recorded growth in renewable energy globally in 2024, according to the International Energy Agency and World Bank. The accelerated deployment of resources remains short of the scale needed for net-zero pathways. Demand for critical minerals for batteries is projected to increase sharply through 2030, placing Africa at the centre of global supply discussions.

Despite mounting geopolitical and economic challenges, ATIDI continues to play a central role in mitigating risk and mobilising capital across Africa. Its 2023–2027 strategy prioritises local-currency insurance instruments to reduce foreign-exchange exposure, regional expansion into Northern and Southern Africa, and stronger partnerships with multilateral institutions such as MIGA and the AfDB. These measures are helping to enhance resilience, investment flows, and long-term development outcomes across the continent.



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**Partnerships, institutional collaboration,
and de-risking development finance**

