



KEY THEMES INFLUENCING AFRICAN INFRASTRUCTURE DEVELOPMENT IN 2025

In 2025 Africa's infrastructure landscape is being impacted by recent changes in the world economy including a tightening infrastructure financing environment; rapid population growth, increasing urbanisation, technological advances and changes in the geo-political landscape. This series of non-exhaustive themes that have emerged over the last 12 to 18 months, will drive the sector's future direction on the continent in the short- to medium- term.

1

RAIL AND ROADS

Across Africa, significant investments are being made in rail, road and port infrastructure to enhance trade and regional connectivity. With limited public funding available, public-private partnerships (PPPs) are increasingly being used to finance large-scale infrastructure projects. The African Union's Programme for Infrastructure Development in Africa (PIDA) is a notable example. Projects like the Lobito Corridor continue to gain momentum, with ongoing support from the United States—likely as a counterbalance to China's Belt and Road Initiative.

South Africa is no exception. Changes in the rail regulatory environment are paving the way for increased private sector participation in the freight rail network. The non-exclusive use of Transnet's rail infrastructure is expected to increase competition, reduce reliance on road freight, and improve the competitiveness of the national network. A key step towards realising this participation was South Africa's ratification of the Luxembourg Rail Protocol on 27 January 2025. This Protocol, which came into force on 1 May 2025, plays a vital role in standardising international interests in railway rolling stock, lowering financing risks and costs. It is expected to attract private investment, boost

local manufacturing, and improve overall rail efficiency—aligning with broader economic reforms.

In the passenger rail space, improvements are also envisaged to enable more efficient and integrated movement of people. Municipalities may play a growing role in managing passenger rail. The City of Cape Town's collaboration with the Passenger Rail Agency of South Africa (PRASA) could set a precedent for how metropolitan municipalities engage with rail networks, potentially accelerating the development of integrated transport hubs.

A broader shift from road to rail could also help reduce congestion, lower emissions, and create opportunities to expand road infrastructure to improve connectivity for rural populations across the continent.



2

RENEWABLE ENERGY AND ENERGY STORAGE

Africa is seeking to capitalise on its abundant solar, wind and hydro resources to meet burgeoning energy requirements. Kenya, Morocco and South Africa are scaling up renewable energy projects. Private power arrangements have also become increasingly popular in South Africa due to regulatory shifts. The state will continue to be the largest offtaker, with growing government interest matched by increasingly competitive private participation at the project level. Battery energy storage is increasingly becoming a front-of-mind energy solution. Battery energy storage technology's insulation from old-fashioned municipal electricity infrastructure may see municipalities diversify residential supply if the necessary legal and contractual conditions are in place.



3

MAINTENANCE

The threat of climate change to infrastructure will continue to rise on the African continent and in the South, the corridor between Madagascar and South Africa remains at substantial risk of climate change-related events. KwaZulu-Natal will remain a province that may be adversely affected by climate change and its effects, such as flooding. Designs for new projects must increasingly account for climate change. New infrastructure must be built to account for climate change risks. Maintenance of existing infrastructure is required to be ongoing and with technological advancements, innovative warning systems may become increasingly common as their cost declines. Contract terms for infrastructure projects may increasingly focus on climate change-related obligations and risk.



4

TRADE

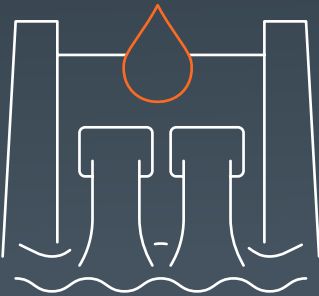
Transport infrastructure will continue to be the backbone of wider infrastructure development and trade across the continent. The use of special economic zones (SEZs), especially in the vicinity of key trade ports, will continue to grow as one-stop infrastructure and trade hubs. Key logistics corridors, such as the Lobito and Abidjan-Lagos corridors, will grow over time as region-wide economies evolve across the continent. These regional corridors will develop in lockstep with intra-African trade, supported by the Africa Continental Free Trade Area's emphasis on "hub and spoke" supply chains, targeting key strategic industries.



5

WATER

Rapid urbanisation in Africa is prompting investments in water systems and sanitation amongst other things. South Africa's growing water supply challenges are leading to far-reaching changes in water legislation. By the end of 2026, the Draft National Water Amendment Bill and Draft Water Services Amendment Bills will be tabled in Parliament. Key changes include enhanced water monitoring, enforcement, and intervention powers at water board level, and linking water service provider operating licenses to management, reporting, and financial transparency. Simultaneously, the National Water Resource Infrastructure Agency will likely be established by mid-2026, providing a national focal point for water management across South Africa. Maintenance of existing assets and infrastructure development, using smart technology, will be required to ensure adequacy of supply in this water scarce nation.



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