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Power without borders is **changing the game.**

The Southern African Power Pool (SAPP) stands at a defining crossroads. Now 30 years on, it's no longer just a technical framework for balancing national grids. It has matured into a structural lever for regional integration, energy security, and long-term economic competitiveness.

Despite the region's wealth of resources, more than 60% of its population still lacks reliable access to electricity. This statistic alone is a powerful motivation for change. From Zambia's hydropower to Namibia's solar capacity, southern Africa has ample potential for generation. But without reliable infrastructure to transmit and trade that energy, the value remains stranded.

Consider the Malawi–Mozambique and Zambia–Tanzania interconnectors. These aren't just construction projects; they're markers of regional trust, economic ambition, and political will. Yet infrastructure isn't enough. Power trade needs more coherent policy, market transparency, and tools to contain sovereign risk.

That's where the $1.3 billion Regional Transmission Infrastructure Financing Facility (RTIFF) enters the picture. Backed by Climate Fund Managers and SAPP, RTIFF reflects a growing appetite for blended capital platforms that match private risk with public goals. It shows what's possible when long-term financing meets cross-border infrastructure.
Independent Power Producers (IPPs) are increasingly central to this story. The legacy model, where IPPs relied on sovereign-backed offtake agreements, no longer fits the fiscal and currency realities of many African markets. What's needed is regional architecture that enables power to move beyond borders, where risk is diversified, and financing can be raised against real market opportunities.

SAPP offers exactly that. Its framework supports multi-country offtake, hard currency pricing, and de-risked exposure for investors. These are the signs capital markets watch out for, and they're increasingly present across the region.

At Nedbank Corporate and Investment Banking, we're seeing developers widen their lens. Regional trade is now part of the project planning conversation from day one. Aggregators are mapping regulatory gaps.
Sponsors are thinking about how to structure blended instruments.
The obstacles, like licensing delays or inconsistent customs practices, are being tackled in real time, and not left to the end.

SAPP's strength is also technical. It already enables wheeling and bilateral trading across multiple borders. But some countries have limitations on import and export due to inadequate network strength. SAPP's true promise lies in completing the missing pieces, especially national transmission upgrades, which remain a critical bottleneck.
The progress isn't just theoretical. There's movement in policy. Zambia and Namibia are already implementing changes that lower the barrier for private investors. Mozambique's solar market is expanding. Malawi and Angola are taking critical first steps. And while South Africa has long been a regional model, others are beginning to offer frameworks that look equally investable.

Still, questions remain. Why aren't more IPPs participating in SAPP? Participation requires more than just infrastructure. It demands well-designed governance, tariff frameworks that make trading viable, and the ability to enforce contractual obligations across jurisdictions. If IPPs are to move from the periphery to the centre of regional trade, these building blocks must be put in place.

Of course, gaps remain. Transmission networks vary in strength. Policy cohesion across borders isn't yet where it should be. But these challenges aren't unique to southern Africa.
We've seen them elsewhere on the continent, including in the West African Power Pool, a collaborative effort by member states of the Economic Community of West African States to integrate their national power systems

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into a single regional electricity market. The road hasn't been smooth, but the intent and investment are there. And that makes the hurdles solvable.

SAPP is about more than electrons flowing through wires. It's about building economic resilience, reducing costs, and creating trust. In a region defined by both distance and diversity, that kind of connection carries real weight. Risk remains the biggest barrier to financing cross-border deals, especially when it comes to currency volatility, sovereign guarantees, and harmonising legal frameworks. But solutions are emerging for funding SAPP IPPs, including the immediate settlement of trades and customer credit support, limiting currency and payment risk.

Nedbank Corporate and Investment Banking's role is to help bridge vision and viability.

We structure projects with the real world in mind: currency exposure, policy flux, and investor expectations. Our clients need more than just funding. They need market foresight and regional perspectives.

Looking ahead, SAPP could be the blueprint for how African power pools evolve. Not as aspirational frameworks, but as real trading platforms.

This isn't theory. It's already happening. The challenge now is to move faster, deepen cooperation, and bring capital and policy into tighter coordination. That's how southern Africa moves from potential to resilience, and from ambition to delivery.