

IHC SECTOR INTELLIGENCE

Pricing The Unknown

Investors do not necessarily just avoid greenfield projects. They avoid paying for every risk before any risk has been resolved. Opportunity owners who retire risks in sequence, secure revenue before capital and match each stage to the capital built for it get funded.

THEME

Greenfield Investment

FOCUS MARKET

Zimbabwe & Africa

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SECTION 01

What A Greenfield Opportunity Is

A greenfield opportunity is a project that does not yet exist as an operating business i.e. no plant, no production, no tenants, no revenue. The investor is asked to fund the creation of the asset, not the purchase of one.

A brownfield opportunity is an existing asset to be bought, restored or expanded. It has a record i.e. production data, accounts, customers, permits already granted. Greenfield has a plan. The difference is not the size of the return but how much of the return is still a forecast.

The evidence that greenfield is hard to fund is consistent across sources. Most projects fail before they reach an investor's credit committee, the time to revenue is long, and in Zimbabwe licensed projects convert to deployed capital at low rates.



Sources: McKinsey, Solving Africa's infrastructure paradox, 6 March 2020 (African infrastructure projects); S&P Global Market Intelligence, 10 April 2024 (mines started 2020 to 2023); ZIDA Quarterly Report Q1 2026, IHC derivation (US\$359M actual against US\$5.563B projected).

DATA PROVENANCE

International: UNCTAD World Investment Report 2026, via IISD (9 September 2026) and Mining Weekly (7 July 2026); McKinsey, Solving Africa's infrastructure paradox (6 March 2020); S&P Global Market Intelligence mine lead time research (10 April 2024 and 8 July 2026); IEA and AfDB, Financing Clean Energy in Africa (6 September 2023); remarks by the AfDB President citing Moody's Analytics, African Investment Forum (reported 8 November 2023); Convergence, State of Blended Finance 2025 (reported 11 June 2025); AVCA African Private Capital Activity Report 2025 (25 March 2026); NEPAD Infrastructure Project Preparation Facility.

Zimbabwe: ZIDA Quarterly Report Q1 2026; National Energy Compact of Zimbabwe (5 October 2025); Cabinet Land Tenure Statement (8 October 2024); Mineral Classification and Declaration (22 May 2026); SI 215 of 2025; SI 62 of 2026; listed REIT filings; session notes from the Zimbabwe Future Capital Forum (26 August 2026).

IHC Pipeline: the cases in section 06 are drawn from opportunities assessed by IHC in 2026. They are anonymized, and figures are shown only where they illustrate a point.

SECTION 02

Why Investors Hold Back

A greenfield ticket asks the investor to carry every category of risk at once, before any has been tested. A brownfield ticket carries the same categories, but most have already been answered by the asset's own history.

RISK	THE INVESTOR'S QUESTION	GREENFIELD	BROWNFIELD
Resource Or Demand	Is the ore, the yield or the market really there?	A forecast	Production or sales history
Title & Permits	Does the owner hold what is being sold, and may it be used?	Applications pending	Granted, in use
Construction	Can it be built on budget and on time?	Full exposure	Already built
Ramp-up & Operations	Will it perform at nameplate?	Untested	Operating record
Revenue	Who pays, how much, for how long?	Letters of intent	Contracts and receivables
Currency & Policy	Will earnings come back in hard currency?	Assumed	Track record
Exit	How does the investor get money back?	Undefined	Valuation comparables

Table 1. The risk stack. Each row is a cost to the investor until the owner turns it into evidence. IHC analysis.

Four structural forces then compound the stack as follows:

Time & The J-Curve

Greenfield capital produces negative returns for years before it produces positive ones. S&P Global found that mines started between 2020 and 2023 take almost 18 years on average from discovery to production, and its July 2026 research reports permitting delays extending lead times to nearly 30 years. Every year of delay is discounted at the investor's cost of capital.

The Cost Of Capital Is Higher Before Evidence Exists

The IEA and the AfDB report that the cost of capital for utility-scale clean energy projects in Africa is at least two to three times higher than in advanced economies. The premium is partly perception. The AfDB President, citing Moody's Analytics data over 14 years, put the default rate on African infrastructure finance at 2.1%, against well over 10% in Eastern Europe and well over 8% in Asia. A greenfield project with no record cannot rebut the perception with its own numbers.

Mandates Exclude The Risk

Pension funds and insurers match long liabilities with predictable income. Most cannot hold construction or exploration risk at all, or only within a small allocation to alternatives. At the Zimbabwe Future Capital Forum in August 2026, pension fund panellists described a mandate of up to 20% for alternative assets. That leaves a narrow pool of capital that is permitted to take early risk.

Diligence Costs Come Before The Deal

The owner knows more about the project than the investor. Closing that gap through technical, legal and financial due diligence costs the investor money whether or not a transaction follows. Incomplete information raises that cost, and investors respond by declining early rather than spending to find out.

Investors are not against greenfield projects. They are against paying for risk that nobody has yet priced.

SECTION 03

Where Greenfield Stalls: The Zimbabwe Evidence

In Zimbabwe, licensed and announced projects convert to deployed capital at low rates. The gap sits between a licence and financial close, which is exactly where a greenfield project must prove itself.

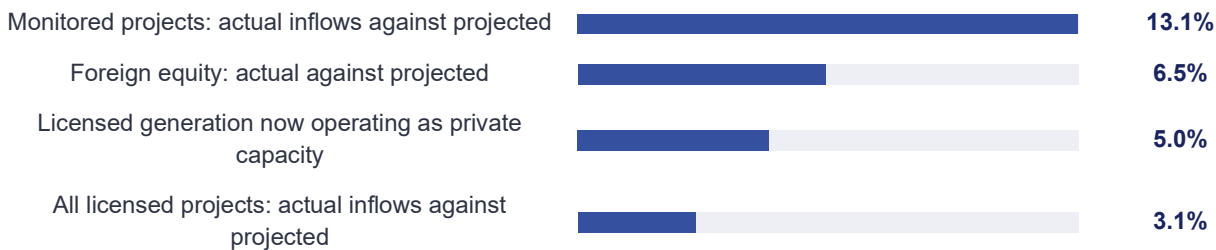


Figure 1. Share of licensed or projected investment that became deployed capital, by measure. The four measures use different populations and must not be combined.

Sources: ZIDA Quarterly Report Q1 2026, January 2022 to March 2026: US\$1.619B actual against US\$12.334B projected for monitored projects and US\$52.968B for all licensed projects; foreign equity US\$359M against US\$5.563B. National Energy Compact of Zimbabwe, 5 October 2025: 7130 MW licensed by March 2025 against 356 MW of private capacity operating. Percentages are IHC derivations.

ZIDA attributes the shortfall in foreign equity to delays in financial closures and capital mobilization. In electricity, the regulator’s chief executive has said on the record that many licences were taken out speculatively to raise funding. Both point to the same failure i.e. a licence was treated as a bankable case, and investors did not agree.

The wider African picture is consistent. UNCTAD records US\$70B of foreign direct investment into Africa in 2025, the third-highest figure since 1990. Greenfield project values on the continent fell by almost a third while project numbers rose, which points to smaller and more staged commitments. Globally, international project finance rose 3% in value but remained about 25% below its 2021 peak.

SECTION 04

Who Does Fund Greenfield?

Greenfield capital exists. It is specialized, and each type enters at the stage it is built to price. The most common owner error is approaching the right investor at the wrong stage.

STAGE	RISK BEING RETIRED	NATURAL CAPITAL	TYPICAL INSTRUMENT
Concept & Exploration	Is there anything here?	Owner, grant funds, project preparation facilities, junior explorers	Own equity, grants, option agreements
Definition & Prefeasibility	Is it worth studying properly?	Strategic partners, specialist funds	Earn-in, staged equity
Bankable Feasibility & Permits	Can it be built and financed?	Strategic investors, offtakers, development finance institutions	Equity, offtake prepayment, mezzanine
Construction	Will it be built as designed?	Project finance lenders, export credit agencies, blended finance	Senior debt, guarantees, political risk cover
Ramp-Up	Will it perform?	Lenders and equity already committed	Completion support, working capital lines
Operations	Will it keep paying?	Pension funds, insurers, REITs, listed markets	Refinancing, listing, sale of stake

Table 2. Capital by stage. Each stage retires a risk and opens access to a cheaper and larger pool of capital. IHC analysis.

Three features of current capital markets matter for owners:

- **Development Finance Dominates Early Capital:** AVCA recorded US\$5.1B of African private capital across 530 deals in 2025, with development finance institutions providing 64% of fundraising commitments and African institutional investors 21%.
- **Risk Sharing Is Now Standard:** Convergence recorded 123 blended finance transactions worth US\$18B in 2024, with sub-Saharan Africa the top destination by volume and concessional guarantees or risk insurance present in 34% of transactions.
- **Preparation Is The Best-Returning Dollar:** The NEPAD Infrastructure Project Preparation Facility states that every US\$1 it has spent on preparation has mobilized over US\$350 of infrastructure financing.

SECTION 05

How To Make Greenfield Opportunities Investable

The task is to turn unknowns into evidenced, priced risks, one stage at a time, and to show the investor which risk each dollar of their money retires.

THE INVESTOR ASKS	WHAT ANSWERS IT
What Can I Make?	A US dollar financial model built from signed or evidenced revenue, with the assumptions stated and a downside case
What Can I Lose?	A capital estimate with a stated basis, a contingency, and a risk register showing who carries each risk
How Do I Get My Money Back?	A stated exit: refinancing, sale to a strategic buyer, listing or a REIT, with the conditions for each
Who Can I Trust?	Named management, an experienced operator or contractor, independent technical reviews and clean governance
What Happens When Things Go Wrong?	A ring-fenced vehicle, security over assets, step-in rights, and insurance or guarantees

Table 3. The five questions an investor asks, as framed by a speaker at the Zimbabwe Future Capital Forum, 26 August 2026, and what answers each.

1. Retire Risks In Sequence

Fund the cheapest risk-retiring work first: title, resource or market evidence, then technical studies. Each completed step is evidence, and evidence lowers the price of the next round of capital. Ask for the money needed to retire the next risk, not the money needed to build the whole project.

2. Secure Revenue Before Capital

A signed offtake agreement, a power purchase agreement with a creditworthy buyer, pre-let leases or an offtaker prepayment converts the revenue line from a forecast into a contract. It is the single change that most often makes a greenfield project financeable.

3. Ring-Fence The Asset

Put the project in its own company, with its own title, permits, contracts, bank account and US dollar accounts. Investors buy vehicles, not projects. A clean special purpose vehicle also makes security, step-in rights and a later exit possible.

4. Build A Technical Case An Investor Can Test

Commission studies to a recognized standard, signed by independent qualified persons. State the basis of every capital estimate, carry a contingency, and include owner's costs, working capital and ramp-up. A capital figure with no basis of estimate is the first thing an investor will challenge, and often the last.

5. Borrow Credibility

Partner with an operator, engineering contractor or strategic investor who has built comparable assets. Put the owner's own capital at risk alongside the investor's. Name the team. Credibility that the project cannot yet show through results can be shown through the people and partners behind it.

6. Transfer What You Cannot Retire

Some risks cannot be removed before construction e.g. political, currency and completion risk. They can be shifted to parties built to carry them, through political risk insurance, partial credit guarantees, first-loss tranches from development finance institutions and completion guarantees from contractors.

7. Stage The Ask & Price On Evidence

An owner who prices a project on its future value, before that value is proved, asks the investor to pay for the owner's risk. Option and earn-in structures let the investor commit in tranches as results arrive and let the owner retain more value as the evidence improves. Section 06 shows how this works.

8. State The Exit

Investors decide how they will leave before they decide to enter. Name the route, the conditions it depends on and the likely holding period. In Zimbabwe, the Victoria Falls Stock Exchange infrastructure listing rules under SI 62 of 2026 require audited accounts and a detailed feasibility study, which gives owners a concrete standard to build towards.

9. Have Documentary Evidence Before The First Meeting

Every document an investor will ask for during due diligence should exist before the first conversation i.e. title, permits, studies, the model, corporate records and contracts. An incomplete data room tells the investor that diligence will be slow and costly, which is a reason to decline.

SECTION 06

Lessons From The IHC Pipeline

Three anonymized cases from opportunities IHC assessed in 2026, and one published market example, show where greenfield proposals lose investors and what changes their prospects.

Case A: A Large Processing Campus With No Basis Of Estimate

A opportunity owner proposed an integrated mineral processing and battery manufacturing campus. The first submission put total capital at US\$460M. A revised submission one month later put it at US\$807M. The three refining lines rose from US\$43M to US\$390M, roughly nine times, while the cell plant fell from US\$375M to US\$250M on the same 5 GWh capacity. Neither change was explained. There was no feasibility study, no named contractor, and a schedule of six to eight months from land identification to operations.

Every figure in the submission added up. What an investor could not do was test where the figures came from. A capital estimate that moves by US\$347M between versions without explanation tells an investor the project is not yet defined.

Case B: A Start-Up Whose Model Was Right And Whose Case Was Missing

An early-stage digital venture sought US\$200 000 of growth capital. Its use of funds, fee calculations and payback table were all arithmetically correct. The memorandum named no operating costs, no regulatory authorization, no management team and no competitor, and its return illustration was not derived from its own revenue model.

IHC assessed it as not yet bankable and set six gating items, each of which the owner could resolve without new capital i.e. state the regulatory position, introduce the team, publish a cost base and breakeven, rebuild the return table, name the competition, and separate customer funds from working capital.

Case C: A Mineral Claim Priced On Its Future

The figures in this case are illustrative. They are based on a pattern IHC sees often and do not describe a specific opportunity.

An owner holds a registered gold claim with artisanal workings and grab samples but no drilling and no metallurgical testwork and asks US\$5 000 000 for an outright sale. No investor engages, because nothing yet shows how much gold the claim holds or whether it can be recovered economically. A staged earn-in lets the investor fund the work that answers those questions and earn an interest as each stage is completed.

STAGE	WORK FUNDED BY THE INVESTOR	PERIOD	SPEND (US\$)	INTEREST EARNED
Signing	Option fee paid to the owner	On signing	50 000	0%
Stage 1	Mapping, soil sampling, trenching, accredited assays	12 months	300 000	20%
Stage 2	Drilling programme and assays	18 months	1 200 000	51% cumulative
Stage 3	Resource estimate, metallurgical testwork, prefeasibility study	24 months	2 500 000	70% cumulative
Total		54 months	4 050 000	70%

Table 4. Illustrative staged earn-in terms. Not market benchmarks.



Figure 2. Illustrative cumulative investor commitment, US dollars. Stages shown in time order.

The investor’s exposure rises only as results justify it. If Stage 1 disappoints, the investor has lost US\$350 000 rather than US\$5 000 000, and the owner keeps the claim and the data. That asymmetry is what brings an investor to the table.

LESSON Ask for the next stage, not the whole project.

Market Example: A Creditworthy Buyer Turns Greenfield Into Fundable

Zimbabwe had 7130 MW of generation licensed by March 2025 but only 356 MW of private capacity operating. The projects that have closed share a feature i.e. a mine as the buyer. Blanket Mine’s 13.9 MW solar plant was sold to CrossBoundary Energy in July 2025 on a 17-year power purchase agreement, and Zimplats has built 35 MW for US\$37M as the first phase of a 185 MW programme. A creditworthy offtaker on a long contract replaced the revenue risk that the licensed projects could not resolve.

LESSON Find the buyer first. The capital follows the contract.

SECTION 07

The Sector Lens

The principles are the same in every sector. The binding constraint differs.

SECTOR	BINDING GREENFIELD CONSTRAINT	WHAT MAKES IT INVESTABLE
Mining	Long lead times; for the 14 critical minerals, a mandatory state stake through a special purpose vehicle, prior ministerial approval and a ban on unbeneficiated export	Staged earn-in, an independent resource estimate, offtake with a processor, polymetallic economics, an early approach on the state stake
Agriculture	Tenure: offer letters and permits are not bankable security. Registrable 99-year leases began rolling out in August 2026	Registrable title, an offtake or outgrower contract, irrigation and power secured, export revenue in US dollars
Real Estate	Occupancy risk. Listed vehicles with identical tax status ranged from 98.7% occupancy (Tigere, Highland Park Phase 1) to 42% (Revitus)	Pre-let leases with named tenants, phased construction, a stated exit into a REIT or a sale
Energy	A non-creditworthy grid buyer. ZETDC is targeting full operational cost recovery by Q4 2027	A mine or industrial offtaker on a long power purchase agreement, credit enhancement for grid sales

Table 5. Greenfield constraints and remedies by sector. IHC analysis.

Sources: Mineral Classification and Declaration, 22 May 2026; Cabinet Land Tenure Statement, 8 October 2024; Tigere Property Fund trading update, 30 September 2025; Revitus REIT quarterly update, 31 March 2025; National Energy Compact of Zimbabwe, 5 October 2025.

SECTION 08

Regulatory & Policy Framework

POLICY	IMPLICATION FOR GREENFIELD OWNERS
Competitive power procurement from 2026, replacing unsolicited licensing	A licence alone will carry less weight. Projects will compete on evidence and price
PPP Guideline, approved by Cabinet in Q1 2026	A defined route for projects with a public counterparty, with risk allocation stated up front
Mineral Classification and Declaration, 22 May 2026	Critical mineral projects must plan for a state stake, ministerial approval and local processing from the outset
SI 215 of 2025, reserved and partially open sectors	In reserved sectors, foreign investors must divest at least 75% to citizens within three years
Land Tenure Implementation Programme, August 2026	Registrable, transferable 99-year leases can become security for agricultural finance
SI 62 of 2026, Victoria Falls Stock Exchange listing rules	An infrastructure project can list as a viable asset with audited accounts and a detailed feasibility study, which creates an exit route

Table 6. Policy against implication. In effect or announced as at October 2026.

SECTION 09

Investment Implications: A Readiness Checklist

Before thinking of investors, a greenfield owner should be able to tick every item below or say plainly when it will be done and what it will cost.

- ✓ The project sits in its own company, with title and permits in that company's name.
- ✓ Resource, yield or market evidence has been gathered by an independent party.
- ✓ Technical studies are signed by qualified persons, with a stated basis of capital estimate and a contingency.
- ✓ A US dollar financial model is built from evidenced revenue, with a downside case.
- ✓ At least one revenue contract or credible offtake term sheet is in place.
- ✓ The ask is for the next stage, with what that stage retires stated.
- ✓ Valuation reflects present evidence, with upside shared through staged terms.
- ✓ Management, partners and the owner's own capital at risk are named.
- ✓ Political, currency and completion risks have a proposed mitigant or a party to carry them.
- ✓ The exit route and holding period are stated.

IHC VIEW

The question an opportunity owner should ask is not how to find an investor for a greenfield project, but which risk the next dollar retires and who is built to fund that risk. Answering it is opportunity profiling i.e. shaping a raw opportunity into a bankable case before it reaches the market.

SECTION 10

Outlook

- Smaller, staged greenfield commitments are replacing single large tickets in Africa, on UNCTAD's finding that project numbers rose in 2025 while values fell.
- Competitive procurement in power and registrable agricultural tenure will reward evidenced projects and penalize speculative licences.
- Critical minerals policy favours owners who plan for local processing and the state stake from the start and penalize those who treat them as later problems.
- Development finance and blended structures will remain the main source of early-stage risk capital. Owners who can show what each tranche retires will reach it first.
- Listing routes under SI 62 of 2026 give completed infrastructure an exit, which should over time lower the price investors demand for funding the earlier stages.

SECTION 11

Key Takeaways

- 1 Greenfield asks investors to fund every risk at once. Investors decline the bundle, not the sector.
- 2 80% of African infrastructure projects fail at the feasibility and business plan stage, and fewer than 10% reach financial close.
- 3 In Zimbabwe, US\$359M of foreign equity arrived against US\$5.563B projected, 6.5%, between January 2022 and March 2026.
- 4 Only 356 MW of 7130 MW of licensed generation operates as private capacity. A licence is not a bankable case.
- 5 Greenfield capital is specialized by stage. Approach the investor built for the risk you are retiring.
- 6 A signed revenue contract is the single change that most often makes a greenfield project financeable.
- 7 Stage the ask and price on evidence. An earn-in limits the investor's loss and preserves the owner's upside.
- 8 Most of what makes a case investable, including title, a vehicle, a team and a data room, costs time rather than capital.

SECTION 12

About Investor Hosting Centre

Investor Hosting Centre is a digital investment facilitation platform connecting global investors with bankable opportunities across Africa, with a focus on Mining, Agriculture, Real Estate and more. IHC works with opportunity owners through opportunity profiling, shaping raw opportunities into bankable cases, and with investors through Market Intelligence, Investment Advisory, Secure Data Rooms, deal engagement and travel facilitation for investor visits. Opportunities that reach capital readiness are published on the IHC Portal.

www.investorhosting.com