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How Africa is repositioning itself in a disruptive development finance landscape

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The 39th African Union Summit was held in Addis Ababa on February 14 and 15. Among the many topics discussed by the heads of state and government of the 55 member countries were access to drinking water, this year's central theme, as well as security, which was high on the agenda, and global governance, international solidarity, and development. On all these issues, African leaders sought to accelerate the discussions that have been taking place in various forums in recent years, including the latest Africa Climate Summit in Nairobi in 2023. They reiterated the importance of national specificities and continental priorities, particularly in terms of development financing, which has been a key concern since the cuts in international aid made by the United States and Europe in 2025. Using examples of initiatives in several countries and at the regional level, this blog post analyzes the evolution of Africa's position in an international financial environment that is undergoing major upheavals and significant reconfigurations. How is Africa financing its development? And under what conditions can this be achieved with a view to long-term stability and resilience?

"It is time to pursue a path to prosperity and self-respect for our nation. [A Ghana Beyond Aid](#) is a prosperous and self-confident Ghana that is in charge of her economic destiny; a transformed Ghana that is prosperous enough to be beyond needing aid, and that engages competitively with the rest of the world through trade and investment." These could have been the words of leaders attending the [39th African Union Summit](#) in Addis Ababa earlier this month but are actually almost a decade old, when President Akufo-Addo started campaigning for the presidential elections in Ghana.

Ten years later, and about one year after Trump's decision to dismantle USAID and various budget cuts announcements from other traditional donors ([IDDRI, 2025](#)), the case of Ghana serves as a useful illustration of previous attempts to reinvent development finance and international cooperation. At the time, the Ghana Beyond Aid strategy opened up conversations at the national level on connecting different spheres of the economy and bringing a variety of public and private stakeholders together to chart a new development path. It has been a quite bumpy path however: Ghana went on to face a major financial and management crisis which led the same President to seek [IMF relief in 2023](#). Then, in its 2026 New Year's declaration, the new President Mahama announced that the country is on the path of recovery as it may [exit the IMF facility soon](#), suggesting a return to a certain level of political and socio-economic stability. Lessons are to be learned from this national experience as countries from the Global South, and Africa in particular, are faced with similar calls to steer their own agenda and find new ways to respond to financial needs in a fast-evolving environment.

Traditional donors retreat may favour renewed ties with Gulf countries

With still [large-scale](#) financing needs to tackle sustainable development, the impact at country level of budget cuts from traditional donors starts being [documented](#), largely affecting social sectors where alternative ways of financing are scarce. In addition, not much of a new system has emerged since last year, and from the perspective of African leaders, the pace of reforms of the international financial architecture is too slow. Declarations from traditional donors seem to focus still on new narratives (at the EU level), high level strategies (for example in [Germany](#)) and summits ([the 2nd Italy-Africa summit](#) just took place in Addis Ababa while [France](#) is planning one in Nairobi in May) with little visibility yet on prioritization or complementary approaches (between sectors and actors) driving concrete action at this stage.

The visible part of a transactional shift which would bring development, finance and trade dimensions closer lies today in some of the bilateral business deals announced, as well as in multilateral agreements, where Africa tends to appear more as a proxy though. Following unilateral tariffs announcement by the US in early 2025, China—whose share of development finance operations on the African continent is also [declining](#)—retaliated in the summer and announced the expansion of its preferential access for African nations, extending its zero-tariff policy for Least Developed Countries to encompass all African countries (except Eswatini). Coming back on its original stance, the US has now announced in 2026 the [extension of the AGOA](#), US-Africa trade act by one year, therefore limiting the development of a longer-term vision while also specifying that it should more clearly benefit US firms. While some aspects of these policies remain essential, trade is no substitute for development and short-term economic calculations, as geopolitical rivalries are no replacement for strategic ambition and lasting transformations.

Yet, with the US, European countries, and even China, retreating on national grounds, other international partners, in particular Gulf countries, are made more visible. Both the OECD data and the [One report](#) highlight this trend. In 2024, Turkey, Saudi Arabia, the UAE and Qatar combined about \$17bn in ODA, forming the [top 4 non-DAC-members providers of ODA](#). More broadly, their financing almost doubled since 2014. The UAE now appears among the [lead investors in Africa](#). At the national level too, ties with some of these countries are extended: Benin plans to issue a sukuk bond¹ while [Senegal](#) signed a €2 billion 5-year agreement with a branch of the Islamic Development

Bank (headquartered in Saudi Arabia) to secure its energy supply chains. Ruto, the president of Kenya, made numerous trips to the UAE in the last few years to strengthen diplomatic ties which also resulted in the signing of an economic agreement to double investments in the country.

These are by no means replacement for traditional donors' retreats, nor are they at scale with existing financial needs or instruments (in particular the need for concessional finance). But they may also suggest a shift, or at least rebalancing, of decision-making centers, how international cooperation is done and the more pro-active role taken by African stakeholders.

Financing its own institutions and fostering home grown initiatives

The current transformation also sheds light on evolutions coming from the African continent taking the lead on its financing building on past experiences and varied approaches.

At the multilateral level, at the end of 2025, the [replenishment of the African Development Fund](#) demonstrated a willingness from a growing number of African countries to invest in their institution. Amid ongoing cuts at the international level and despite the withdrawal from the US as a contributor to the Fund, the concessional arm of the AfDB achieved a record-breaking \$11 billion replenishment from 43 partners. The initial ambitious \$25 billion was not met but, “23 African countries pledged \$182.7 million of contributions to their own concessional financing window; a five-fold increase from the previous replenishment, and with 19 countries contributing for the first time ever”. Additional support also came from the OPEC Fund and the Arab Bank for Economic Development, reflecting efforts led by the new Head of the Bank, Sidi Ould Tah, to diversify sources of support—in the hope that such support will help meet the ambition of the Bank for the continent while not reneging international engagements and national priorities on both climate and development.

At the national level, some initiatives also illustrate the agency displayed in trying to diversify away from international aid and pursuing different strategies.

In [Côte d'Ivoire](#), earlier this month, the authorities published their new 2026-2030 national development plan with the ambition to raise more than €175 in 5 years. In their tradition of developing a pro-market and private sector strategy where the state acts more as a resource catalyst, authorities are hoping to mobilise 80% of this financing from the private sector. Côte d'Ivoire was also recently the first African country to issue a bond in CFA francs last year, thus attempting to rebuild financial trust in its system and diversifying financing mechanisms.

In July 2025, [Ethiopia rebutted US claims](#) it financed its Grand Ethiopian Renaissance Dam (GERD) and restated its developmental state model and self financing strategy for this project. The dam, which should generate 5,150 megawatts of electricity, is deemed to become the largest one by power capacity in Africa. It was not financed by the US but through a mix of national bonds, contributions (including from salary deductions for civil servants, from the diaspora), a Chinese loan and the contracting of Italian private sector expertise. This project serves as diplomatic leverage for the Ethiopian authorities at the international, regional and national levels. Yet, one mega project does not translate into a full macroeconomic strategy and socio-economic tensions remain in the country which entered a [debt restructuring process](#).

Inclusiveness and regional alliances as leverage for continental long-term strength

Ghana's trajectory acts as a reminder that not only can lessons be learned from alternatives beyond aid but also that progress may not be taken for granted if not inclusive. In fact, as the country's future may be brighter in the short term, a World Bank [note](#) examining prospects for the upcoming generation noted that the national poverty rate is projected to increase if inclusive growth is not prioritized. Inclusivity can be understood in different ways but there are at least two levels of interest here:

1. At the national level, recent upheavals led by the Gen Z in various countries, including Kenya, Madagascar or Morocco have stressed the importance of articulating economic, development, security priorities with social ones, in a context of demographic expansion where youth represents the majority of the continent's population. Ongoing changes in approaches of development finance and international cooperation more broadly should rely on local communities in an effort to avoid democratic backsliding if a narrow approach to development is put forward; but also to ensure long-term transformational impact at country level.
2. Repositioning the African continent in the development finance landscape beyond individual/national attempts requires more shared approaches and alliances at the regional level. The African Union is yet to fully unleash its ability to leverage its bargaining power with its seat at the G20. With three large African nations among its members (Egypt, South Africa and Ethiopia), the BRICS is another space where opportunities could arise for Africa to shape its role in the world of development finance and international cooperation. Ongoing efforts to strengthen coordination between African countries to better negotiate their debt situation with creditors through a Borrowers Club is a welcome initiative that should provide some of the headroom needed to plan for the long term. This all may now be part of the ambition of the [New African Financial Architecture](#) presented by Sidi Ould Tah and endorsed at the AU summit.

While the current reconfiguration of the development finance and international cooperation landscape seems to leave some traditional donors in a period of limbo, this disruptive environment may also open cracks for the African continent to move first and shape its own path through stronger alliances and collective efforts, building on past experiences and new initiatives. The institutions are in place to support these collective efforts, from the African Union, the AfDB, continental trade agreements, further connected to a network of subregional and national institutions but their full potential remains far from being fully tapped and coordinated in a way that serves a better strategic positioning.

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Sukuk are financial certificates that are the closest Islamic law-compliant instrument to conventional bonds
<https://blogs.worldbank.org/en/allaboutfinance/state-of-the-sukuk-market-and-prospects-for-growth>

GOUVERNANCE

FINANCEMENT DES ÉCONOMIES EN DÉVELOPPEMENT

AFRIQUE

INSTRUMENTS DE FINANCEMENT

AIDE PUBLIQUE AU DÉVELOPPEMENT

DEVELOPING COUNTRIES

INTERNATIONAL FINANCIAL INSTITUTIONS