



AFRICAN FORUM AND NETWORK  
ON DEBT AND DEVELOPMENT

## **MEDIA STATEMENT: Africa's Water Crisis Exposes the Cost of a Broken Global Financial System Issued by the African Forum and Network on Debt and Development (AFRODAD)**

Addis Ababa, Ethiopia | 13 February 2026

The 39th Ordinary Session of the Assembly of the African Union (AU) is convening in Addis Ababa from 14–15 February 2026 under the theme “**Assuring Sustainable Water Availability and Safe Sanitation Systems to Achieve the Goals of Agenda 2063.**” The theme comes at a decisive moment for the continent, as Africa’s worsening water crisis reveals the combined impacts of climate change, chronic underinvestment, and a global financial system that constrains Africa’s ability to care for its people.

Water is central to Africa’s survival and development. It underpins food production, public health, energy generation and economic productivity, particularly in agriculture, which employs [more than half](#) of Africa’s population. Yet climate change is rapidly undermining water security through rising temperatures, erratic rainfall, prolonged droughts, floods, and other extreme weather events. As of 2020, [approximately 411 million people](#) in Africa lacked access to basic drinking water, including over 387 million people in Sub-Saharan Africa. This is not merely a service delivery gap; it is a structural emergency stemming from reliance on a global financial architecture.

***Water underpins all of Africa’s development. It is the foundation of life, food security, climate resilience, and economic survival.***

Africa faces a severe gap in financing its water infrastructure. At the moment, only \$10-19 billion is invested in water annually; [additional funding of at least \\$30 billion](#) is required every year if we are to truly tackle the problem. The current shortfall limits investment in irrigation systems, dams, sanitation facilities, and climate-resilient water infrastructure needed to support agriculture, urban growth, and industrial development. Closing this gap requires predictable, affordable, and long-term public financing not short-term, high-cost borrowing that deepens debt vulnerabilities stemming from a global financial system that was not tailored to meet the development needs of African countries..

Hence, Africa’s water crisis cannot be separated from its deepening debt crisis. The existing global financial architecture continues to entrench structural inequalities that keep African countries trapped in cycles of high cost of borrowing and austerity. Although Africa accounts for [just 1.9 percent](#) of global public debt, it pays far more than any other region in debt servicing costs. African governments now spend an [average of 18.7](#) of public revenue on debt repayments, with external debt payments projected to reach [\\$90 billion in 2026](#). Public debt across the continent has risen to approximately [\\$2.1 trillion, currently exceeding 60 percent of GDP, with 21 African countries](#) already in or at high risk of debt distress. Every dollar diverted to debt servicing is a dollar unavailable for water pipes, sanitation systems, irrigation schemes, and climate adaptation infrastructure.

***Africa’s water crisis is not just the result of a lack of rainfall. It’s the natural outcome of a global financial system that prioritises debt repayment over human survival.***

High borrowing costs driven by biased credit rating systems and dollar-dominated capital markets mean African countries [pay interest rates](#) averaging 9.1 percent, compared to 6.5 percent in Latin America and 4.7 percent in Asia. These costs, combined with austerity-focused policy prescriptions from international financial institutions, have led to persistent underinvestment in essential public services, including water and sanitation.

Over 400 million people in Sub-Saharan Africa remain without basic drinking water, a crisis expected to worsen as climate impacts intensify and rapid urbanisation accelerates. By 2050, Africa's urban population is projected to reach [1.4 billion](#), with [162 million urban residents](#) likely to face perennial water shortages. Weak water systems undermine agricultural and industrial productivity, deepen dependence on food imports, and weaken domestic revenue mobilisation—perpetuating a cycle of borrowing and debt. The water crisis is therefore not only social, it is macroeconomic, fiscal, and structural

***Austerity has become a development dead end for Africa, draining public investment in water and climate resilience while deepening inequality.***

These concerns are firmly grounded in African and global policy commitments. Civil society, through AFRODAD's [Harare Declaration](#) and the [African Borrowing Charter](#), has long called for responsible borrowing and lending, transparent debt management, and development-centred financing that prioritises public goods. At the continental level, the [African Union's Lomé Declaration on Debt](#) articulates a Common African Position demanding comprehensive reform of the global financial architecture, including enhanced access to affordable financing and the establishment of a United Nations Framework Convention on Sovereign Debt to deliver fair, transparent, and timely debt resolution.

***“Africa must move beyond symbolic apologies and transform how money flows, risks are shared, and resources are governed to achieve reparative justice and water resilience. Reparations are about who controls resources today and whose future is prioritized. Governments must lead, civil society must mobilize, and citizens must demand accountability”, Lavender Namdiero-Strategic Campaigner, African Futures Lab.***

These demands are reinforced by the [Seville Outcome Document](#), which recognises the urgency of addressing debt vulnerabilities, expanding fiscal space for developing countries, and scaling up financing for climate adaptation and sustainable development. **The Lomé Declaration, the Harare Declaration, and the Seville Outcome Document all point to the same truth: Africa needs fair, affordable, and development-centred financing, not more debt traps.**

As Africa enters the Africa Decade of Reparations (2026–2036), the continent also calls for recognition that today's debt and financing constraints are rooted in historical injustices linked to slavery, colonialism, and extraction. Correcting these structural imbalances is essential if Africa is to build resilient water systems and achieve Agenda 2063 and SDG 6. **Africa's debt crisis is not accidental. It is historical and structural. Addressing water insecurity requires reforming the global financial system itself.**

***“Africa's debt crisis reflects a global system designed to shift risk onto vulnerable nations while concentrating wealth elsewhere. Addressing the water crisis requires confronting this imbalance and demanding systemic reform, not temporary relief”, Frank Adu- Senior Researcher, African Center for Economic Transformation (ACET).***

The 39th African Union Assembly presents a critical opportunity for African leaders and global partners to confront the interconnected crises of water, climate change, and debt and to commit to reforms that place Africa's development, dignity, and sustainability at the centre of the global financial order.

***“Debt justice is inseparable from water justice because every repayment made under unjust terms deepens inequality and vulnerability. Reparations must therefore repair systems of extraction by***

***expanding fiscal space and restoring Africa’s power to invest in life-sustaining public goods”. Dr. Theophilus Yungong-Interim Executive Director, AFRODAD.***

**AFRODAD** calls upon African Heads of State, Finance Ministers, development partners, and multilateral institutions to:

- Champion a UN Framework Convention on Sovereign Debt.
- Expand concessional and grant-based financing for water and climate adaptation.
- Reform global credit rating systems to eliminate structural bias.
- Protect water and sanitation budgets from austerity-driven cuts.
- Prioritise domestic resource mobilisation strategies that are equitable and growth-enhancing

----

The [African Forum and Network on Debt and Development](#) (AFRODAD) is a Pan-African civil society organisation established in 1996, to advocate for debt cancellation and addressing debt related issues in Africa. Vision: A Prosperous Africa based on equitable and sustainable development. Mission: To contribute to Africa’s inclusive economic growth and sustainable development through influencing policy change on debt management and development finance anchored on a rights-based approach.

*For media inquiries, interviews, or expert commentary on debt, water financing, and global financial reform, please contact us via [media@afrodad.org](mailto:media@afrodad.org)*