



INCLUSIVE SOCIETY INSTITUTE

Op-ed

AFRICA'S FUTURE MUST BE FUNDED BY AFRICANS **BY ODILE BULTEN AND DARYL SWANEPOEL**

For decades, Africa's development journey has been narrated through the prism of aid, donor conferences and pledges from distant capitals. This dependency has been dressed up in the language of partnership, but the balance sheet tells another story: Africa remains a debtor in its own development, too often financing other people's economies, while mortgaging its future.

Today, that model is cracking. Official Development Assistance (ODA) is shrinking, multilateral institutions are tightening their belts and private capital, touted as the great hope, has proven reluctant to take genuine developmental risks, preferring to protect investor returns rather than finance transformative projects. The continent is left exposed, caught between a fraying aid regime and a private sector still allergic to uncertainty.

The problem is not simply a shortage of cash, it is a shortage of control. Africa's challenge is not just to find money, but to shape the conditions under which that money is raised, allocated and spent. Without sovereignty over its financial systems, Africa will remain hostage to the priorities of others.

The cracks in the old model

The fragility of Africa's financing model is well-documented. Capital flight, illicit financial flows and anaemic tax systems bleed resources that could have built schools, hospitals and roads. Weak institutions struggle to manage the revenues they do collect. The result is a continent that exports raw materials and talent while importing debt and dependency.

The historic bargain, aid in exchange for alignment with donor priorities, is also fraying. As the United States and other donors pull back from their commitments, especially in health, climate adaptation and multilateral peacekeeping, African governments are left scrambling. In trade, too, the power imbalance is glaring. Tariffs as high as 50% have been imposed under the guise of "negotiations," often linked to political concessions or corporate benefits for donor-country companies.

This asymmetry is not accidental, since aid is seldom altruistic. It is a transactional, which too often results in contracts flowing back to donor countries and African nations being left with little more than ribbon-cutting ceremonies and debt repayments.

Lessons from our own history

This is not the first time Africa has faced a reckoning over how it finances its future. In the late 1980s and 1990s, crushing debt repayments prompted a global push for debt forgiveness. Campaigns like Jubilee 2000 helped secure partial relief and drew attention to structural injustices in the financial system. At the same time, African leaders launched the New Partnership for Africa's Development

(NEPAD), reframing development as a homegrown project rooted in regional integration and strategic engagement with global forums.

But that spirit of agency has waned. While new bilateral partnerships, such as China's Belt and Road, EU development frameworks, and others, have brought resources, they have also reproduced old dependencies. The lesson is clear: we cannot outsource our development agenda without also outsourcing our sovereignty.

The African Union's unfinished reforms

The African Union has recognised the danger of donor dependency. The Kigali Financing Decision of 2016 set a bold target, namely, to fund 75% of AU operational and programmatic costs internally and cover up to 30% of peace support operations from African sources. The mechanism, a 0.2% import levy, was modelled on the Economic Community of West African States' (ECOWAS) self-financing system.

In theory, this was a game changer. In practice, implementation has been patchy. Resistance has come not just from donor countries, but from African governments themselves, particularly in the SADC region. This is a political problem as much as a technical one. Without unity and political will, even the best-designed reforms falter.

Similarly, the Mbeki Panel on Illicit Financial Flows revealed that Africa loses more through capital flight, often legal, but unethical corporate practices, than it gains from aid. Stemming these losses would instantly expand the fiscal space for development. Yet action has been slow, partly because confronting these flows means confronting powerful domestic and international interests.

One size does not fit all

Africa's financing strategy cannot be monolithic, since different sectors require different tools. Peace operations, for example, need predictable, rapid funding that the UN is increasingly unwilling to provide. Climate finance must be concessional, long-term and equity-based, reflecting the fact that Africa contributes least to the problem but suffers most from its consequences. Health and education require recurrent domestic investment, not stop-gap donor projects.

Infrastructure is perhaps the one bright spot, with AU-NEPAD's Programme for Infrastructure Development in Africa (PIDA) attracting significant external financing and meeting some of its targets. But here too, the challenge is to ensure projects are strategically chosen, locally relevant and not just monuments to foreign contractors.

Voices from the ground

Delegates to the Africa Think-tank Dialogue (ADT) offered sobering perspectives from across the continent. In Nigeria's health sector, donors provide up to 90% of funding for key programmes. Governments' contributions are often tokenistic, serving more as a box-ticking exercise than a commitment to sovereignty.

Others described a credibility gap between rhetoric and reality, where leaders speak of self-reliance, yet national budgets delay or underfund core services, leaving donors to fill the gap. This undermines both domestic accountability and donor confidence in transitioning control to African institutions.

Domestic resource mobilisation, through, for example, expanding tax bases, improving collection and building trust between citizens and the state, was identified as the only sustainable path forward. But delegates acknowledged the barriers, such as informal economies, weak enforcement and public scepticism about whether taxes will translate into services. Still, when citizens believe their contributions are used well, compliance rises.

Perhaps the most radical call from participants was for a mindset shift. Africa must stop thinking it is poor. This is not naive boosterism, it is a recognition that Africa's wealth, human, cultural and natural, is immense and that a psychology of scarcity leads to self-fulfilling dependency.

The way forward: sovereignty as strategy

The roadmap emerging from the ATD is ambitious, but clear. First, revive the Kigali Decision and enforce AU member commitments to finance their own union. Second, implement the Obasanjo and Mbeki recommendations to reduce external dependency and plug illicit financial leaks. Third, adopt sector-specific financing models that are tailored, realistic and domestically anchored.

Equally important is a narrative shift. Africa must present itself not as a charity case, but as a co-architect of global development. This means challenging inequitable trade terms, asserting collective voice in institutions like the IMF and WTO and building regional blocs capable of negotiating from strength.

In the short term, reforming African tax systems, activating regional financing mechanisms and designing sector strategies can realistically yield results within two years. Medium-term goals include scaling successful domestic revenue models and aligning them with the Sustainable Development Goals. The long-term vision, say five years and beyond, is a continent that funds the bulk of its development internally and acts as a confident, indispensable player in the global arena.

A call to courage

Ultimately, the question is not whether Africa can finance its own development, because it can. The question is whether it will choose to. The resources exist, what is lacking is the alignment of political will, institutional integrity and public trust.

This is a moment for courage. Courage to enforce difficult reforms against entrenched interests. Courage to prioritise domestic investment over donor appeasement. Courage to believe that the wealth of a continent belongs first to its people, not to creditors nor contractors abroad.

Africa's future will not be written in donor communiqués. It will be written in national budgets, regional financing pacts and the choices leaders make to either perpetuate dependency or reclaim sovereignty. The tools are in our hands, the time to use them is now.

Ms Odile Bulten coordinates the Africa Think-tank Dialogue (ATD) and Daryl Swanepoel is the Chief Executive Officer of the Inclusive Society Institute (ISI), which serves as the ATD's secretariat. This article draws from the ATD dialogue on Funding for Development in Africa.