POLICY BRIEF

WHO BEARS THE COST?

Debt, Climate and the People Who Pay the Price

ABSTRACT: This policy brief examines how Liberia's rising debt and climate vulnerability disproportionately affect women, youth and frontline communities. It calls for fairer debt and climate financing, protection of essential services, resilient livelihoods, greater transparency, and meaningful community participation in decisions that affect people's lives.

KEY MESSAGES

1. Liberia's public debt rose 317.5% between 2014 and June 2026, reaching US$2.84 billion.
2. Debt servicing absorbed 18.65% of domestic revenue in 2025, nearly one dollar in five.
3. Liberia emits less than 0.03% of global greenhouse gases, yet bears severe climate exposure.
4. US$360 million, 62.8% of NDC 2.0 climate-finance commitments, remains undisbursed.
5. Women, youth and frontline communities absorb the cost when fiscal space shrinks.

ActionAid Liberia | September 2026

Policy Brief based on the Liberia Debt & Climate Audit Report

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EXECUTIVE SUMMARY

Liberia is caught between two crises usually discussed separately but experienced together. Public debt rose from US$679.4 million in 2014 to US$2.84 billion by June 2026, an increase of 317.5 percent, and in 2025 debt service consumed 18.65 percent of domestic revenue: close to one dollar in every five that Liberia raised itself.[1] At the same time, Liberia is responsible for less than 0.03 percent of global greenhouse gas emissions, yet its coastal towns, farms and fishing communities face severe flooding, erosion and failed rains.[2] The two pressures compound each other: climate shocks force emergency borrowing, and repaying that debt starves the resilience investment that would have limited the next shock.

The cost is not shared equally. It lands hardest on women, who absorb the shortfall as unpaid care work; on young people, who will spend their working lives repaying loans contracted before they could vote; and on frontline communities, who lose their homes to floods they did not cause and then lose again when repayments crowd out protection. Liberia is also financing its own protection largely through debt rather than the grant-based finance that historical responsibility demands: of US$573 million pledged under NDC 2.0, only US$213 million had been disbursed by December 2024, leaving US$360 million, or 62.8 percent, undelivered.[3] This brief argues debt sustainability cannot be measured only in ratios, it must be measured by what it protects and what it destroys in people's lives.

CENTRAL POLICY MESSAGE

Liberia cannot be made to choose between paying its creditors and protecting its people. Debt and climate-finance decisions must safeguard essential public services, build climate-resilient livelihoods, and place women, youth and frontline communities at the center of the decisions that shape their lives.

1. DEBT AND CLIMATE ARE ONE CRISIS, NOT TWO

Debt and climate change are treated as separate crisis, but in people's lives they are the same crisis: both compete for the same scarce public money. Climate shocks raise the bill; debt service shrinks the purse. The audit calls this the debt–climate nexus: climate damage forces spending, spending forces borrowing, borrowing forces repayment, and repayment starves the resilience that would have limited the next shock.[4]

Indicator	Finding
Public debt, 2014 → June 2026	**US$679.4M → US$2.84B (+317.5%)**
Debt service / domestic revenue, 2025	**18.65%**
Liberia's share of global GHG emissions	**< 0.03%**
NDC 2.0 commitments disbursed by Dec. 2024	**US$213M of US$573M (gap: 62.8%)**

Sources: Government of Liberia debt and revenue data, 2026; WMO, State of the Global Climate 2024; Government of Liberia NDC 3.0, 2025–2035.

[1] Government of Liberia (2026). Full citation in References (Section 10).
[2] World Meteorological Organization (2024).
[3] Government of Liberia (2026).
[4] ActionAid Liberia (2026).

2. WOMEN ARE SUBSIDISING LIBERIA'S DEBT WITH THEIR OWN LABOUR

When government spends nearly one dollar in five on debt service, something goes unfunded, the clinic that does not open, the water points left broken, the extension officer who never reaches the farm. What disappears from the budget does not disappear from the household: it reappears as unpaid care work, uncounted in any budget line and overwhelmingly carried by women. When the clinic closes, a woman nurses the sick at home; when the pump breaks, she walks further for water; when the harvest fails, she eats last and least. ActionAid's feminist analysis names the unequal distribution of unpaid care work as a structural cause of gender inequality, and austerity driven by debt service deepens it further.[5] Climate shocks multiply this burden rather than add to it: a flood can destroy a water source, a health post and a harvest in a single afternoon, and women absorb all three shocks at once, without compensation, recognition, or a seat at the table where the borrowing was agreed. Liberia's fiscal decisions must be judged by what they protect: women's access to healthcare, water, land and social protection, and their right to decide how public money is raised and spent.

3. YOUNG LIBERIANS WILL REPAY LOANS THEY NEVER AGREED TO

Liberia's debt grew 317.5 percent in twelve years. The young people who will spend their working lives repaying it were children when most of it was contracted, they were not consulted, and in many cases will never see what the money bought. Borrowing is not the problem: debt that builds a road, a power line or a school pays for itself in the opportunities it creates. The problem is debt that generates repayment obligations without generating returns, and the audit raises exactly that concern about borrowing that produced neither productive investment nor measurable benefit in communities.[6] Every year adaptation goes unfunded raises the cost of the adaptation that will eventually be unavoidable, delay is not a saving, it is a loan taken out against the next generation. NDC 3.0 promises green jobs and a just transition, but financing that resilience through expensive borrowing hands young people the opportunity and the bill in the same envelope. Young Liberians are not a future constituency to be consulted later; they have a right to shape debt and climate decisions now.

4. FRONTLINE COMMUNITIES PAY TWICE FOR A CRISIS THEY DID NOT CAUSE

Liberia is responsible for less than 0.03 percent of the emissions warming the planet. Its coastal settlements and fishing towns are among the places paying the highest price for the other 99.97 percent, most of it generated in the Global North.

> **WHAT THE FLOODS OF 2023 COST**
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> **1,955** people affected in Kru Town, and **520** driven from their homes • 795 affected in central Liberia • 12,450 affected across **32** communities in Monrovia.[7]
>
> *Behind each figure: houses gone, roads cut, water sources contaminated, and a public bill for recovery that had to be found from a budget already committed to creditors.*

This is how loss and damage become a debt trap: the flood destroys revenue, the wreckage forces borrowing, and servicing that debt leaves less for the drainage and sea defenses that would have reduced the damage. Frontline communities lose their homes to the flood, then lose again when repayments crowd out the protection that would have spared them.

[5] ActionAid International (2024).
[6] ActionAid Liberia (2026).
[7] International Federation of Red Cross and Red Crescent Societies (2023).

5. LIBERIA IS BEING ASKED TO BORROW ITS WAY OUT OF SOMEONE ELSE'S CRISIS

The Global North countries responsible for the overwhelming share of historical emissions are lending money to a Global South country already living with the consequences, and charging interest on it.[8] A sea wall earns no revenue; financing adaptation through debt converts climate finance into cuts to health, education and social protection. Debt justice and climate justice are the same demand: those who contributed least to this crisis must not be made to deepen their debt to survive it. Liberia is entitled to grant-based finance and debt cancellation, not as charity, but as reparation.

6. NOTHING ABOUT US WITHOUT US

Women, young people and frontline communities are routinely described as beneficiaries of climate and development programmes, but they are surveyed and reported on, not present when the loan is signed or the adaptation budget is allocated. A validation workshop held once a policy is drafted transfers no power. Meaningful participation means women's and youth organizations and affected communities helping set priorities before borrowing is agreed, scrutinizing terms and monitoring whether money reaches the ground. ActionAid Liberia's story collection documented what closed decision-making costs in Zeleka, Bomi County, where residents recall commitments on safe water, transport, school construction and healthcare, with no signed agreements, approved budgets or timelines behind any of them.[9] Town Chief Edwin Momolu: "*When a promise is made to the community, it should be written down, explained to the people and given a clear completion date. We cannot hold anyone accountable when the community does not have copies of the agreements made in its name.*" The remedy he describes, a documentary audit and a public register of what was promised, by whom, on what budget and by what date, is the same remedy this brief calls for across debt and climate governance.

7. WHAT MUST CHANGE

1. Ring-fence essential services from debt-driven cuts. Publish an annual comparison of debt-service payments against health, education, water and social-protection spending.

2. Judge every loan by its effect on women, youth and frontline communities. If the Government cannot answer what a loan will do to care burdens, jobs and resilience, it is not ready to borrow.

3. Demand grants, not loans, for adaptation. Sea walls and drainage generate no revenue, financing them with debt means repaying out of health and education budgets.

4. Give women, youth and frontline communities' real power. Formal, funded roles in setting priorities, scrutinizing loan terms and monitoring disbursement, not observer status.

5. Invest in resilient livelihoods. Agriculture, green jobs and social protection reduce the damage each shock causes and the borrowing it compels.

6. Open the books and raise revenue progressively at home. Track and publish borrowing and climate finance; close extractive-sector leaks; broaden progressive taxation.

7. Put every public commitment in writing. A public register of what was promised, by whom, on what budget and by what date, the discipline Zeleka needs.

8. Take debt cancellation and climate reparations to the international level. Press for grant-based finance, debt cancellation, debt-for-climate swaps and reform of the global debt architecture.

[8] Intergovernmental Panel on Climate Change (2023).
[9] ActionAid Liberia (2026).

8. WHO MUST ACT

Ministry of Finance & Development Planning: Bring climate risk into fiscal policy, debt management and the Medium-Term Fiscal Framework; borrow only for what is productive and resilient; expand progressive taxation; publish the terms of every loan and show Liberians what debt service is costing essential services.

EPA & sector ministries: The EPA should drive NDC delivery and track climate finance to the point of disbursement, not merely to the point of pledge. Sector ministries must build resilience into how services are actually delivered, not into strategy documents alone.

Development partners & international financial institutions: Deliver the US$360 million of NDC 2.0 commitments already promised; shift adaptation financing to grants; honor the principle of climate reparations.

Civil society organizations: Women's and youth organizations and community groups should keep tracking borrowing and climate money, expose the trade-offs being made, and make sure those carrying the cost are heard.

Women, youth & frontline communities: Not last on this list, but first in what it is for, real roles in planning, implementation, monitoring and benefit-sharing, as rights-holders with agency over decisions about their own lives, not as beneficiaries of decisions made elsewhere.

9. CONCLUSION AND CALL TO ACTION

Balancing the books by hollowing out the services people depend on is not sustainability, it is deferral, and the deferred cost is paid by women, the young and communities already on the front line. A country responsible for less than 0.03 percent of global emissions should not be borrowing its way through a crisis it did not cause while nearly a fifth of its own revenue goes to creditors. That is not a technical problem to be optimized. It is an injustice to be corrected, through debt cancellation, climate reparations and a global financial architecture that no longer asks the Global South to finance its own survival on credit.

"Those Who Contributed Least Should Not Pay the Most."

A NOTE ON METHOD AND LIMITATIONS

The Liberia Debt & Climate Audit Report that underpins this brief was a desk review of secondary data; no community was visited and no household was interviewed. The report itself calls for validation with MFDP, the Central Bank of Liberia, the Liberia Revenue Authority, the EPA, sector ministries, development partners, civil society, women's groups, youth organisations and affected communities. This brief can trace the chain from climate vulnerability to debt service to squeezed budgets to the people who absorb the difference, but it cannot yet put a figure on what that difference costs a household. ActionAid Liberia is committed to closing that gap with community-level research that puts numbers and testimony together.[10]

ABOUT THIS BRIEF

This is a condensed version of ActionAid Liberia's policy brief, translating the findings of the Liberia Debt & Climate Audit Report into who pays, who decides, and who is left to absorb the cost when debt obligations and climate shocks collide. It forms part of ActionAid Liberia's continuing work on debt, climate and gender justice.

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[10] ActionAid Liberia (2026).

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