United Nations
Economic Commission for Africa

African Trade Policy Centre

Triple Nexus and Trade

Towards a New Agenda for Africa

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ABBREVIATIONS

AfCFTA	African Continental Free Trade Area
AGOA	African Growth and Opportunity Act
AMU	Arab Maghreb Union
ATPC	African Trade Policy Centre
CEN-SAD	Community of Sahel-Saharan States
COMESA	Common Market for Eastern and Southern Africa
EBA	Everything but Arms
EAC	East African Community
ECA	United Nations Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
GDP	Gross domestic product
ICRC	International Committee of the Red Cross
IGAD	Inter-governmental Authority on Development
OECD	Organisation for Economic Co-operation and Development
RECs	Regional economic communities
SADC	Southern African Development Community
UNHCR	United Nations High Commissioner for Refugees
WTO	World Trade Organization

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Executive summary

Trade agreements can foster integrated economies and reduce conflict by creating disincentives among states and their actors due to the disproportionate cost of conflict. Changes in export prices of some high-demand commodities also have a limited effect on conflict in states with high government accountability, low income inequality and high social cohesion. This suggests that overall public governance and systematized trade governance aimed at wide-scale income generation could foster peace and stability. However, at the national level, the marketplace, as a locus for trade and as a space where conflict manifests, has the potential to contribute to both peace and development.

This report explores trade's contribution to the transition from fragile, unstable and emergency contexts to sustainable development within the framework of the humanitarian-development-peace nexus—that is, the Triple Nexus. Based on Fragile States Index scores, calculated by the Fund for Peace, this report identifies and analyses states with high vulnerability to protracted social conflict due to the complex interplay of political, social and economic factors. It discusses the relationship between trade integration and Fragile States Index score. Fragility and conflict, like trade, have shown potential for export. Conflicts in Africa are taking place at every level of integration,[1] and Fragile States Index scores have worsened considerably over the past 14 years. A large increase in a country's score may be a cause for concern in the long run because recovery appears slow, with many countries unable to re-gaining their initial agility as fragility worsens. African states across the Sahel region are particularly vulnerable in an intense, fast-moving conflict ecosystem that challenges Triple Nexus and Trade partners' integrated interventions.

Membership in the World Trade Organization (WTO) is crucial for reaping the benefits of global human and material mobility. However, several African States hold only WTO observer status while negotiating accession: Algeria and Libya of the Arab Maghreb Union, Equatorial Guinea of the Economic Community of Central African States, South Sudan of the Inter-governmental Authority on Development and Ethiopia and Somalia of the Common Market for Eastern and Southern Africa. Concurrent WTO accession by states with limited experience with trade agreements or low administrative capacity to prepare, participate in or implement trade agreements is potentially prejudicial. Deep WTO commitments by states that are part of the African Continental Free Trade Area (AfCFTA) could undermine existing commitments and leak forthcoming AfCFTA benefits to third parties. Libya, not party to the Tripartite Free Trade Area, is a highly open economy and appears trade sensitive to natural disasters and conflicts resulting in internal displacement of people.

The number of people accessing the benefits of the African Union Protocol on Free Movement of Persons in Africa could increase as conflict and disaster events push people to seek work and residence in other territories. The benefits under the protocol vary across signatory states, which are committed under Article 16: Right of Residence to granting the right of residence to people and their spouse and dependants, when their laws allow.

Favourable policies in receiving states could help displaced people transition to stable economic activity and shift their categorization from refugees and asylum seekers to migrants that are more integrated into the receiving state's population. This could in turn prompt a permanent exodus from conflict- and disaster-affected countries without correcting the underlying factors in the origin country.

Complicated conflict- and disaster-affected settings present challenges for humanitarian, development and peacebuilding partners, even without trade-related mandates. For example, Triple Nexus partners in Mali have noted the need for caution in assuming that breaking down bureaucratic silos can render distinct but compatible altruistic activities more effective.

[1] As measured by the 2019 Africa Regional Integration Index.

Section 1: The Triple Nexus and Trade agenda

As the leading Africa-based centre of excellence and a continental hub for technical support in developing trade policies in Africa, the African Trade Policy Centre (ATPC) is at the heart of stakeholders' efforts to implement sound national, regional and international trade strategies, policies and programmes. As part of these efforts, the centre conducts and disseminates research on trade and provides policy advice, training and capacity building in line with partners' needs.

Following the recommendations of the 2016 World Humanitarian Summit and in line with the 2030 Agenda for Sustainable Development, the United Nations is engaged in an ongoing reform process that envisages UN entities in humanitarian, development and peace domains working together more systematically. This New Way of Working, agreed at the summit, promotes working towards collective targets aimed at reducing risk and vulnerability and achieving the Sustainable Development Goals. In 2019, a United Nations Economic and Social Council event on transition from relief to development focused on recent advancements, challenges and best practices in collaboration among humanitarian, development and peacebuilding actors in Africa—placing Africa at the heart of the Triple Nexus.

Against this backdrop, the United Nations Economic Commission for Africa (ECA), through the ATPC, is leading the analysis of the humanitarian-development-peace nexus in Africa from a trade perspective—an approach first articulated in Cali's (2015) seminal report, *Trading Away from Conflict*.

As the Triple Nexus emerges as a defining policy concept to transform the way actors in the humanitarian, peace and development domains work collaboratively, attention has turned to how to activate this principle in a manner that more effectively serves beneficiaries at all levels. At the heart of the discussions is cross-sectoral research (Center on International Cooperation, 2019) and planning aimed at cultivating an operational ethos that respects the needs of the people who are being served, while recognizing the competing priorities of specialist agencies across the humanitarian, development and peace domains. Some researchers argue that humanitarian programmes are the natural first-order priority, given the frequency and proliferation of humanitarian emergencies, but the broad consensus now is that long-lasting solutions in fragile settings require concomitant political and development expertise.[2] Global- and country-level agencies are reviewing systems and operations to approach work programmes with the intent to reinforce rather than replace local systems and solutions, to transcend the humanitarian-development divide and to anticipate and act on crises before they happen.

This report adds another layer to the Triple Nexus discussion by assessing whether and how the ongoing efforts to boost intra-Africa trade could also help achieve humanitarian, development, and peace and security objectives. The report determines how trade reforms in Africa affect the Triple Nexus, considering recent developments such as the COVID-19 pandemic. It also assesses the broader implications of human security in the context of trade reforms.

Trading Away from Conflict (Cali, 2015) posits a relationship between abrupt changes in trade and conflict due to shifts away from productive commercial activities to fighting, which reduces incomes, increases import prices and lowers external demand for exports; due to the greed effect of intensified competition for point-source commodities such as oil and diamonds; and due to the resource effect in which regulating certain taxed goods may reduce or incite violence. It highlights the difficulties in measuring these effects, which include the local context and the multifunctional role of commodities for commercial and individual consumers. However, it finds that export commodity prices affect the probability of conflict and that export and import prices may affect the intensity of a conflict.[3]

This report takes an alternate approach by using the displacement of people as a proxy for the Triple Nexus, given that mass human displacement often results from a mixture of conflict, fragility and

[2] The first World Humanitarian Summit, in Istanbul, Turkey, in 2016, advanced interagency discussions and planning of the Triple Nexus agenda. Global leaders endorsed a Commitment to Action to implement a New Way of Working' in humanitarian contexts in extended or recurrent crisis situations.

[3] This report does not review commodity prices in detail.

vulnerability, which generate humanitarian emergencies that necessitate Triple Nexus interventions. The United Nations has organized itself and its support to member states around humanitarianism, development and peace at the country level, making it critical to bridge these domains in order to bring better coherence to its efforts and achieve greater impact (Howe, 2019). At the country level, trade and commerce are therefore relevant in both countering fragility and fostering effective transitions from war to peace.

For this report, displacement refers to the internal displacement of people and the movement of refugees and asylum seekers. The geographic scope of displacement is limited to the regions and states most impacted in Africa: North Africa, the Sahel, the Great Lakes, East and Southern Africa, the Horn of Africa and Algeria, Burkina Faso, Cameroon, the Central African Republic, Chad, the Democratic Republic of the Congo, Egypt, the Gambia, Kenya, Libya, Mali, Mozambique, South Sudan, Sudan and Uganda. The situation of 20 other African states is referenced in less detail. The assessment captures sudden population movements linked to conflict due to local grievances, ethnic tensions, fragile government, political instability, armed conflict and terrorist attack. The second major cause for displacement—disasters—is analysed from the perspective of environmental challenges due to degradation, drought and desertification, and flooding. Cross-cutting issues of food insecurity and severe poverty are briefly touched on.

This report carries out a historical and situational analysis of internal displacement due to conflict and disaster, as well as the status of refugees and asylum seekers. It investigates the link between conflict and authoritarian-leaning states and regular, free and fair elections, as well as the gravity of displacement of people in the most affected states. The report also reviews states that were intersections of transnational crime, that experienced major situations or operations and that were crisis hotspots in 2019. With respect to the Triple Nexus and Trade agenda, the report investigates the relationship between international trade and displacement of people due to conflict and disasters and refugees (in nominal terms and relative to the population of the home and receiving states). However, trade emerges as an everyday process, with the marketplace the principal locus of exchange. It therefore provides opportunities at the sub-national level to bolster the development and peace domains of the Triple Nexus and the resilience of communities affected by emergencies, whether due to violence or disasters.

Conceptual framework

This report draws on a desk-based review of key documents, including evidence-based studies by the Economic Commission for Africa and the International Monetary Fund, the Organisation for Economic Co-operation and Development, the World Bank, the World Economic Forum, the World Trade Organization (WTO) and other UN agencies and departments (the United Nations Conference on Trade and Development, the United Nations High Commissioner for Refugees [UNHCR], the United Nations Office for the Coordination of Humanitarian Affairs, the United Nations Office of the High Commissioner for Human Rights and the United Nations Economic and Social Council). Specialized journals from the conflict, humanitarian, and peace and security domains were also reviewed, as were regulatory, trade and demographic data analyses based on International Trade Centre, World Bank and WTO literature and databases.

The report comments on the apparent relevance of trade composition in trade sensitivity and volatility for situations of displacement of people. Further analysis of the situation and trade trends for these situations may be required to estimate and incentivize stability in favour of international trade gains. To facilitate such analysis, specific efforts will be required to improve available data for some states in order achieve comparability. The scope of this report is limited to elaborating on the Triple Nexus and Trade agenda through data that are available and relevant to achieving the requested outcomes. As a result, sub-national patterns (for example, sex- and age-disaggregated data) are generally not discussed.

In a strong argument for policy action and flexible instruments to maintain peace and prevent conflicts before they happen, the World Bank and the United Nations (2018) make the case for a joined-up approach to identifying the root causes of violence and conflict. This is critical to mitigating and resolving conflicts and to developing appropriate post-conflict solutions. Noting that violent conflict is taking place against a backdrop of interconnected developments—geopolitical shifts, climate change, the mass movement of people and the unmet expectation of millions of young people in low- and middle-income countries—the current report positions the 2030 Agenda for Sustainable Development as the blueprint for prevention.

Trade could arrest and reverse some of the negative effects. For example, Lee and Pyun (2016), using a dyadic perspective, show that greater bilateral trade interdependence promotes peace and suggest that the peace promotion effect of bilateral trade integration is higher for contiguous countries that are susceptible to conflict. An important finding from the current report for African countries is that both bilateral trade and global trade openness can promote peace.

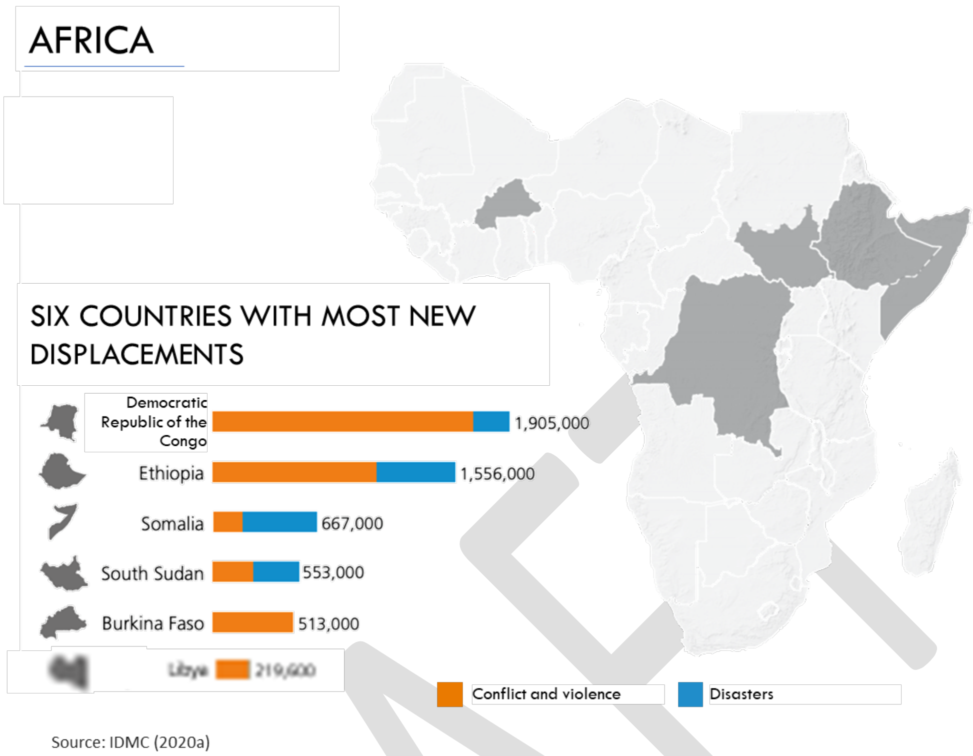
In 2020, internal conflicts and regionalized violent extremism dominated in Africa, posing emergency challenges to peace and security. The Armed Conflict Location and Events Database recorded more than 21,700 armed conflict incidents in Africa in 2019, up from 15,874 in 2018 (Alisson, 2020). So, at the national level as well, policies increasing the profitability of inter-community trade reduce the incidence of conflict, policies targeting people's held beliefs may be useful and interventions designed to nurture and foster cohesive values can be important (Rohner, Thoenig and Zilibotti, 2013).

For the African Union, ending all wars, civil conflicts, gender-based violence and violent conflicts and preventing genocide in Africa—the aims of the Year of Silencing the Guns in 2020—by effectively marrying programmes with trade interventions that also meet the objectives of the African Continental Free Trade Area would present a useful model of the Triple Nexus in practice.

This report connects different scales of analysis by using displacement of people as a proxy for the Triple Nexus to illustrate the effects of trade policies and trade interventions on the lives of people affected by some of the most intractable conflicts in countries across North Africa, the Sahel, the Great Lakes, Central Africa, East and Southern Africa and the Horn of Africa (see appendix 1 for case studies). By using the Fragile State Index treatment of conflict, the structural scale is also brought into evidence. See annex 1 for definitions of terminology used in the context of displacement.

The analysis covers 2010–2020, a period characterized by the intensification of conflict in most African regions, including the Sahel, which is of particular concern to Triple Nexus partners. A 10-year window helps identify recurring issues and inform the content, sequencing and allocation of resources to address the problems in conflict zones and disaster areas. The six African countries that received the most newly displaced people in 2019 (figure 1.1) are referenced to varying degrees based on available data and information, with greater analysis presented for the Democratic Republic of the Congo, South Sudan, Burkina Faso and Libya.

Figure 1.1. African countries that received the most newly displaced people, 2019



Source: IDMC (2020a).

Over the past 10 years, approximately 100 million people across the world—about 1 in 108—fled their homes to seek sanctuary either within their own countries or across neighbouring borders (UNHCR, 2019a).

The massive forced displacement across countries and regions, in addition to the flow of internally displaced persons,[4] presents a major challenge for policymakers globally. By the end of 2016, some 65.6 million individuals were forcibly displaced, including 40.8 million internally displaced persons and 21.3 million refugees (UNHCR, 2016). The majority (99 per cent of internally displaced persons and 89 per cent of refugees) were hosted in low- and middle-income countries. Africa and the Middle East together accounted for almost 60 per cent of forcibly displaced people by the end of 2015 (World Bank, 2017). Of the 10 countries hosting the most internally displaced persons, 5 were in Africa—Ethiopia, Kenya, Uganda, the Democratic Republic of the Congo and Chad—and were themselves under extreme stress, based on Fragile States Index scores (table 1.1; UNHCR, 2016).

Table 1.1. Fragile States Index statistics for the five African countries hosting the most internally displaced persons, 2020

Fragile States Index statistic	**Ethiopia**	**Kenya**	**Uganda**	**Democratic Republic of the Congo**	**Chad**
Alert level	Alert	Alert	Alert	High alert	High alert
Score	94.6	90.3	92-8	109.4	106.4
Rank (out of 178)	21	29	24	5	7

Source: Fund for Peace (2020).

The pace of forcible displacement continued into 2019, reaching 79.5 million people worldwide (UNHCR, 2019a). The number of internally displaced persons grew by almost 60 per cent over the

[4] Internally displaced persons are defined as people who have been forced to leave their homes but remain within their own country's borders. Although often referred to as refugees, they do not meet the legal definition of refugees. See annex 1 for full definitions.

decade, from 27.1 million in 2010 to 43.5 million in 2020 (UNHCR 2019b), fuelled by rising persecution, violence and conflict and, in several instances in Africa, food insecurity and climate-related disasters. Three countries accounted for 44 per cent of the 43.5 million internally displaced persons, including 5 million in the Democratic Republic of the Congo.

Factors driving conflict and displacement globally

Changes in how countries are governed and the instability associated with those changes compounded by economic structures that do not benefit the vast majority of people are two of the key issues driving conflict globally (World Bank and United Nations, 2018). Transnational organized crime has added a third consideration to an already complex problem (World Bank and United Nations, 2018). Governance and the risk of instability are associated with the openness of political systems (World Bank and United Nations, 2018). Globally, the number of autocracies has been declining since 1984, whereas the number of democracies has increased since 1980. However, anocracies (part democratic, part authoritarian), which tend to be more prone to civil war, have proliferated in Africa (Regan and Bell, 2010).

How a country is governed affects the likelihood of instability

The many countries with anocracies run the greatest risk of becoming unstable due to five categories of events: adverse regime change, revolutionary war, ethnic war, genocide or politicide, and major democratic transition (World Bank and United Nations, 2018). Of the 10 African countries with the most displaced people, 9 have authoritarian-leaning governments (table 1.2; Williams, 2019).

Table 1.2. Political regime of the 10 African countries with the most displaced people

Country of Origin	Political Regime*	Term Limits Upheld?	Total Forcibly Displaced
South Sudan	Autocracy	No	4,151,728
DRC	Autocracy	No	3,937,043
Somalia	Semi-Authoritarian	No	3,514,080
Sudan	Autocracy	No	2,864,228
Ethiopia	Semi-Authoritarian	No	2,362,517
Nigeria	Democratizer	Yes	2,272,661
CAR	Semi-Authoritarian	No	1,235,373
Cameroon	Autocracy	No	847,196
Eritrea	Autocracy	No	585,874
Burundi	Autocracy	No	429,261
Total			**22,199,961**

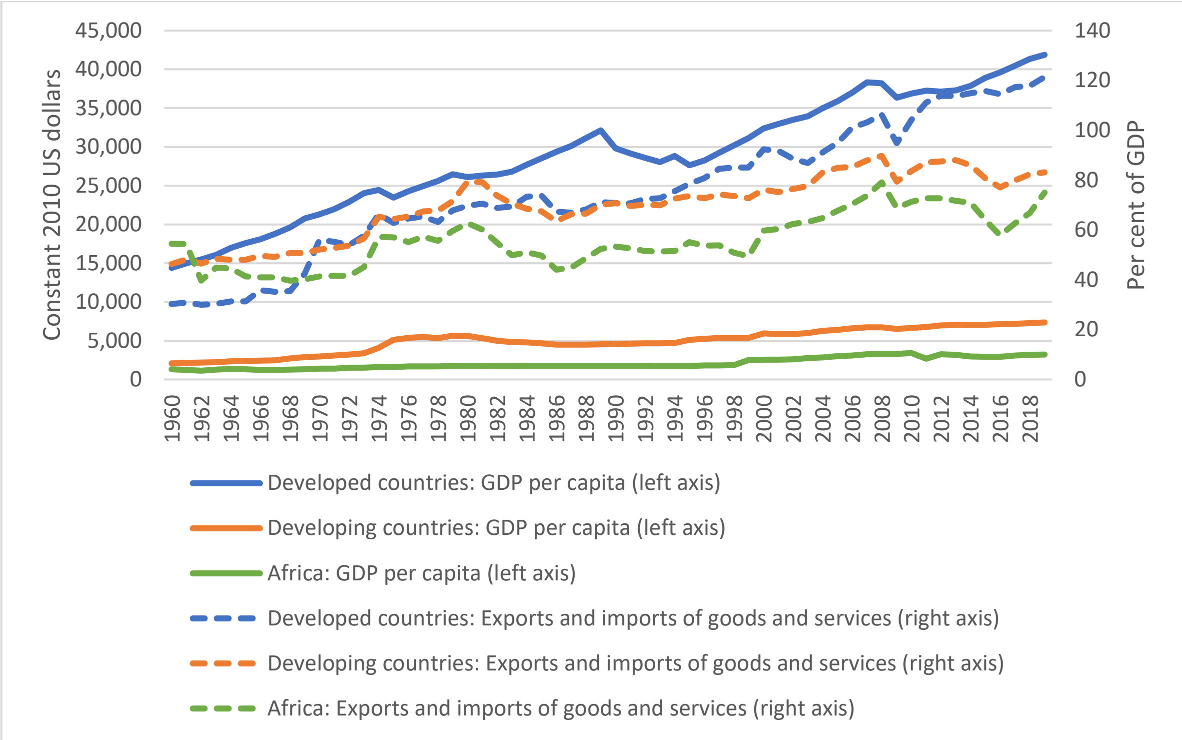
Note: The displacement in Somalia and Nigeria is largely caused by militant Islamist insurgencies.
* *Source*: Joseph Siegle, Africa Center for Strategic Studies. Based on trichotimized categorization of data of Polity IV's democracy score and Freedom House's political rights and civil liberties ratings.
Data sources: UNCHR, IDMC

Source: Williams (2019).

Economic structures have changed, but changes have contributed to inequality

The global economy has grown substantially since World War II but those gains have not been felt evenly across all countries (figure 1.2; World Bank and United Nations, 2018). Downturns and an extended lukewarm recovery since the 2008 financial crisis drove global growth below 3 per cent in 2016, far below the average of 7 per cent a year between 1987 and 2007. At the same time time, falling world trade and declining foreign direct investment to developing countries since 2011 have hurt growth and productivity in developing countries (United Nations, 2017). Developing countries were traditionally recognized as the leading beneficiaries of foreign direct investment–induced higher wages, productivity and employment. The extent to which African economies mirror the peaks and troughs of developing and developed countries' trade and economic performance highlights the additonal challenges policymakers face in anticipating economic shocks and planning for the recovery from conflicts and disasters.

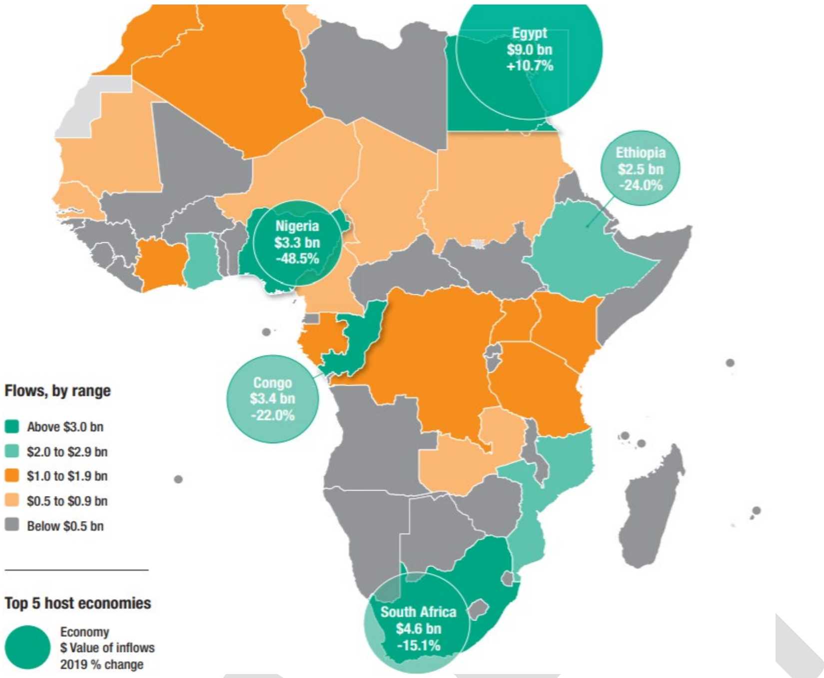
Figure 1.2. Gross domestic product per capita and exports and imports of goods and services, by country group, 1960–2019



Source: ECA calculations based on the World Bank's World Development Indicators database and UNCTADStat (https://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS_ChosenLang=en).

More recent analysis confirms that foreign direct investment will continue to decline worldwide because of the COVID-19 pandemic. Foreign direct investment is expected to fall sharply from $1.5 trillion in 2019, which was already considerably below the low recorded during the 2008 global financial crisis (UNCTAD, 2020b). Investment flows to developing countries—particularly economies that rely on export-oriented and commodity-linked investments—will likely be severely impacted (figure 1.3). The implications for several countries analysed is outside the scope of this study but is worth exploring in future analyses.

Figure 1.3. Foreign direct investment flows to the top host economies, 2019 ($ value and per cent change)



Source: UNCTAD (2020b).

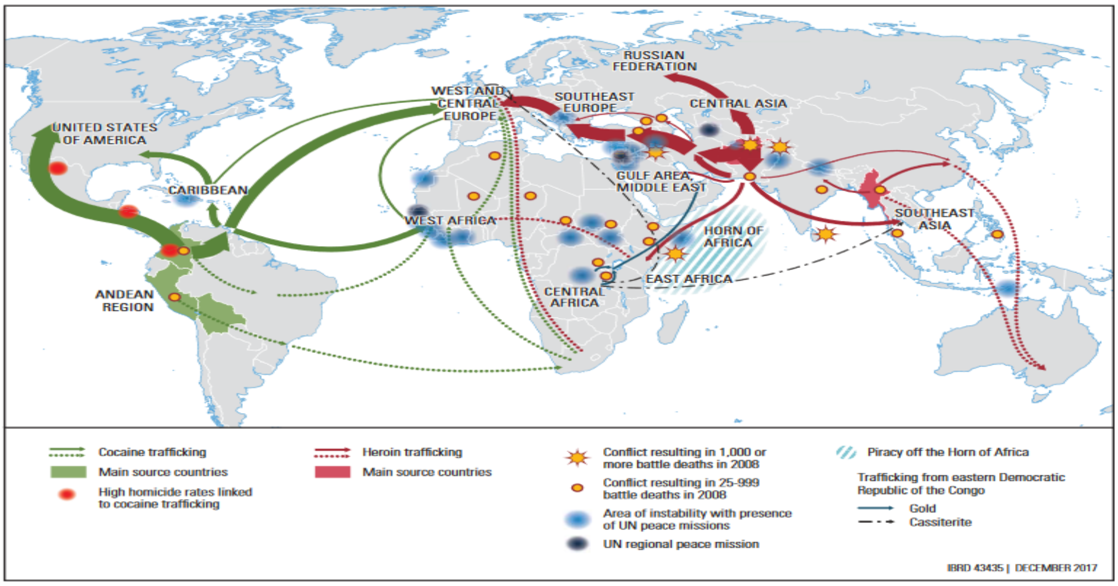
The role of transnational organized crime

The impact of trafficking and transnational organized crime[5] on conflict and instability—especially its spill-over effect that increases displacements globally—is a third important factor in displacement. Most transnational and organized crime begins on one continent and ends on another, and the way Africa serves as a conduit for drug, commodity and human trafficking and the extent to which these illegal activities undermine governance, development and public health are the subject of work by the UNHCR and other international bodies (figure 1.4). For example, the transhipment of illicit drugs through West and North Africa begins with profiteering on one continent and generates a spiralling decline into instability and conflict across several borders before reaching its final consumer markets in Europe. In a related pattern, the role of conflict diamonds in fuelling and extending civil wars in Africa is well documented—notably in Angola for 25 years, until 2000, and for 9 years in Sierra Leone.

The following countries have been at the intersection of transnational organized crime and instability that have fuelled conflict-related displacements: Algeria, Burundi, Chad, the Democratic Republic of the Congo, Ethiopia, Mali, Niger, Somalia and Sudan (see figure 1.4). Some West African coastal states are also viewed as ports of entry.

[5] Defined by the United Nations Office on Drugs and Crime as encompassing all criminal activities motivated by profit and with international scope.

Figure 1.4. The intersection of transnational organized crime and instability



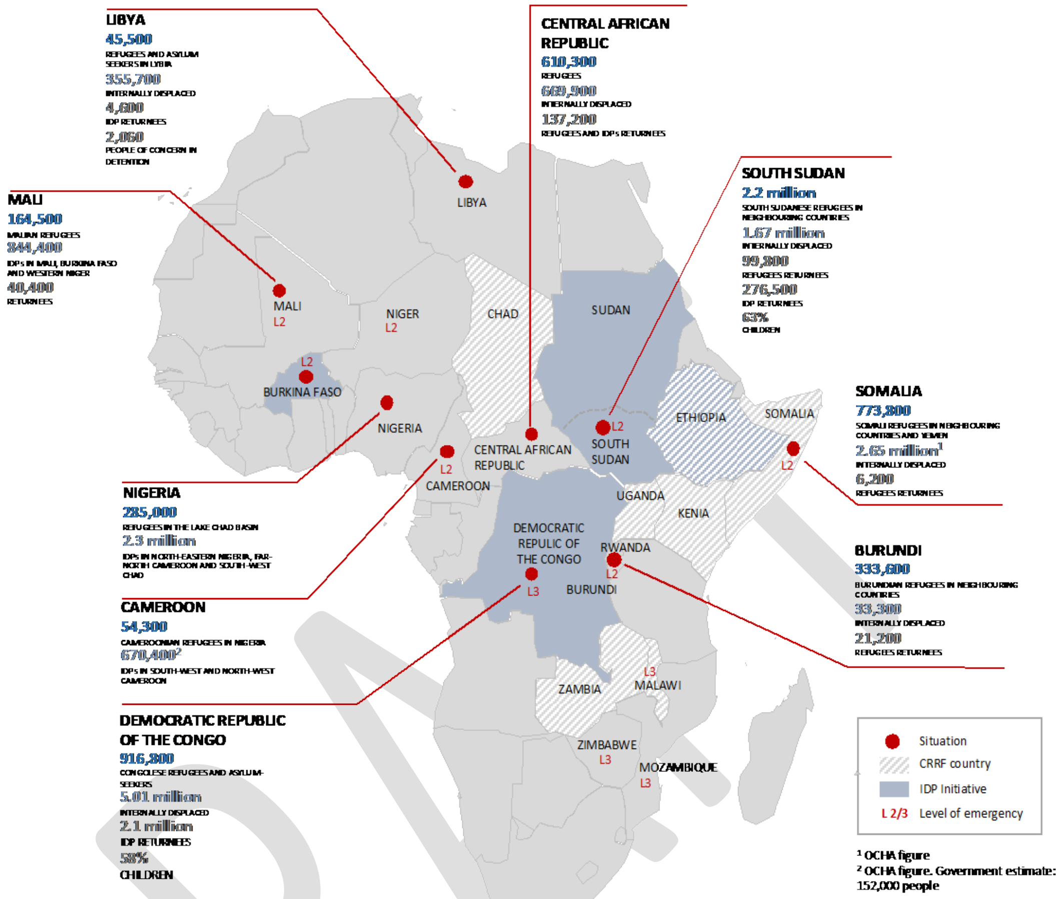
Source: World Bank and United Nations (2018).

Factors driving displacement in Africa

ECA Member States' are committed to sharing the burden of hosting Africa's forcibly displaced people (figure 1.5). Although displacements driven by conflict, intercommunal tensions, poverty, disease outbreaks and climate disasters continue to increase, states have for the most part kept their borders open, despite development challenges and limited resources. Their extensive pledges[6] alongside the commitments of the global community have helped operations that support forcibly displaced persons to function as effectively as possible.

[6] African governments endorsed the Global Compact on Refugees by implementing the Comprehensive Refugee Response Framework ahead of the Global Refugee Forum in Geneva, Switzerland, in December 2019.

Figure 1.5. United Nations High Commissioner for Refugees displacement work in Africa, 2019



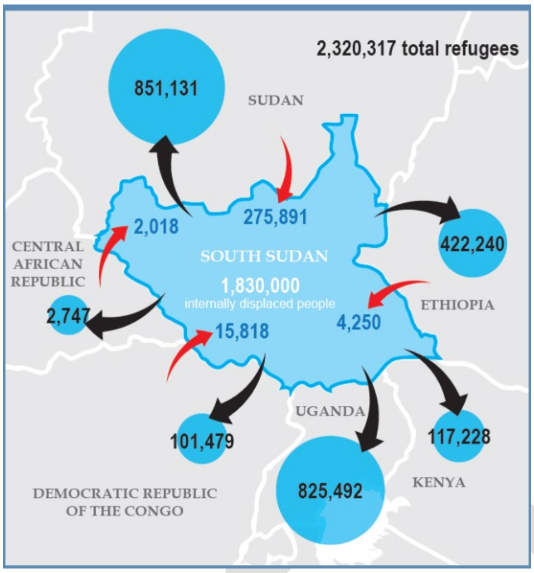
CRRF is the Comprehensive Refugee Response Framework.
Source: UNHCR (2019c, 2019d).

The number of people uprooted from their homes in Africa reached an unprecedented 33.4 million in 2019, including 6.3 million refugees, 57 per cent of them children, and 18.5 million internally displaced persons.[7] Displacement has been driven by violent extremism, intracommunal conflicts, food insecurity and climate change (see appendix 2). UNHCR has reported refugee and internal displacement situations across the Sahel and Lake Chad Basin—in Burkina Faso, Mali, Niger and Nigeria—as well as in Burundi, Cameroon, the Central African Republic, the Democratic Republic of the Congo, Somalia and South Sudan. In Libya, conflict that began in the south and the capital escalated, resulting in displacements and civilian losses in built-up areas.

People from South Sudan continued to be the continent's largest refugee population in 2019, with most nationals (851,131) hosted in Sudan. In line with the open-door asylum policy adopted by most states, large South Sudanese refugee populations are also hosted in Uganda (825,492), Ethiopia (422,240), Kenya (117,228) and the Democratic Republic of the Congo (101,479; figure 1.6). Smaller numbers of South Sudanese refugees are hosted in other neighbouring countries, including the Central African Republic. Uganda continues to host the largest share of refugees in Africa (that is, 43 per cent of the total).[8]

[7] Displaced persons are referred to as "people of concern to UNHCR" in that organization's reports and programme documents.
[8] Uganda's commitment to hosting large numbers of refugees and displaced people is one example of the broader burden sharing that African Union states have assumed. Support has been aided in part by an agreed legislative framework around the treatment of internally displaced persons. See box AN1.1 in annex 1 for further details.

Figure 1.6. Displacement from conflicts in South Sudan and its neighbours, 2019



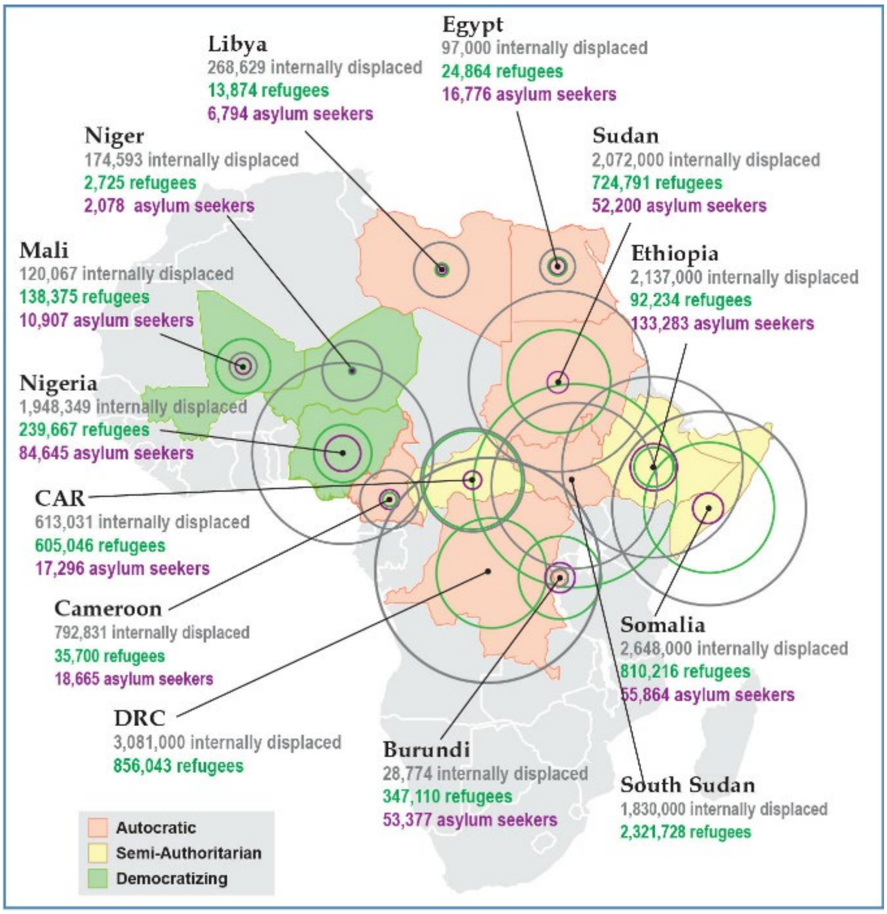
Source: Williams (2019).

The number of internally displaced persons in West and Central Africa rose by 30 per cent from 2018 to 2019, to 5 million. In the Democratic Republic of the Congo, an additional 520,000 people were displaced, bringing the total number of Congolese internally displaced persons to 5.01 million, the largest internally displaced population in Africa (UNHCR, 2019c). Somalia (2.65 million) and South Sudan (1.67 million) also have large populations of internally displaced persons.

The surge in displacement in Africa since 2010 has been attributed to a combination of factors.[9] Long unresolved conflicts feed into a perpetual cycle of displacement, as seen in the 13 African countries that account for almost 90 per cent of the 25 million people displaced by conflict and persecution (figure 1.7). As a result, in recent years, Africa has had more than a third of the world's conflicts and 35 per cent of displaced people globally (Williams, 2019). Regional concentration of conflicts and displacements are evident in the Great Lakes, the Lake Chad Basin, Somalia, South Sudan and Sudan. People fleeing crises in these places are unlikely to find permanent refuge because of their proximity to bordering conflicts.

[9] For details on some of the conflicts that informed this report, see annex 5.

Figure 1.7. Displacement and autocracy in African countries experiencing major conflict, 2019



Note: The displacement in Somalia, Niger, Nigeria, and Mali is largely caused by militant Islamist insurgencies. While Ethiopia and Somalia have taken steps toward democracy, legacy issues from years of repressive rule have contributed to forced displacement numbers today.

Color legend source: Joseph Siegle, Africa Center for Strategic Studies. Based on trichotimized categorization of data of Polity IV's democracy score and Freedom House's political rights and civil liberties ratings.

Source: Williams (2019).

For example, people who have fled factional violence in the Central African Republic often seek shelter in the Democratic Republic of Congo while, simultaneously, displaced Congolese settle in South Sudan, which is home to refugees from Sudan who are escaping conflicts in the South Kordofan and Blue Nile regions. At the same time, South Sudanese have crossed in almost every direction—to the Central African Republic, the Democratic Republic of the Congo, Sudan and Uganda.

As shown in table 1.2, much of the displacement in Africa is seen as a direct response to how governments respond to its citizens' priorities and grievances (Williams, 2019). This is borne out in the number of armed conflicts that are internal as opposed to between states.

On a broader level, the increased displacements triggered by various types of conflicts, as well as by disasters, show no signs of abating, as illustrated in the challenges confronting the continent through mid-2020 (see annex 2). This will be an added concern for policymakers and the private sector as they rebuild trade and humanitarian efforts after the COVID-19 pandemic.

Box 1.1. Challenges in the Sahel region

Recent reports from economic analysts and Triple Nexus partners point to a deepening crisis in the Sahel that has led to 1.7 million people being displaced from their homes because of fighting (*The Economist*, 2020).

Rural insurgencies across the Sahel are destabilizing the region and undermining local security and governance. This message was relayed by the International Crisis Group in a January 2018 call to the European Union for continued support to help the Sahel Alliance promote local dialogue to uphold law and order.

In July 2020, the International Committee for the Red Cross (ICRC) emphasized the growing urgency of the problem, noting that conflict in the region had worsened. Notwithstanding the standstill created by the COVID-19 pandemic elsewhere across the globe, fighting in the Sahel region continued unabated.

According to the ICRC, in the Liptako Gourma region, which straddles Burkina Faso, Mali and Niger, the security situation and humanitarian crisis greatly deteriorated within a few months. Because the front lines are constantly changing, people are always on the move in search of safety. Conflict is not the only danger they face; climate change and the COVID-19 pandemic are also affecting the lives of millions. In Burkina Faso, weapons confer power and are leading to unprecedented violence. The ICRC reports that more than 900,000 people have fled the fighting, leaving behind their homes and livelihoods. People who have been arrested have gone missing, villages have been pillaged and schools and hospitals have been destroyed. As compliance with international humanitarian law has eroded, public authorities have faded into the background, and basic services have been withdrawn. In the province of Oudalan, 29 healthcare centres have closed, leaving nearly 300,000 people without access to primary healthcare, according to the ICRC.

Climate change is increasing people’s vulnerability during the lean season, the ICRC also noted. Some countries with limited natural resources and a volatile climate, characterized by high temperatures for most of the year and erratic rainfall, are only just managing to maintain food and economic security. The uncertainty created by climate change and the presence of armed groups are reducing the number of routes herders can use to move livestock. Herders now have to move their livestock much earlier in the year and for extended periods of time to find land for grazing. The impact on farmers has been debilitating as they struggle to harvest enough cereals and vegetables. Poor economic prospects, ever-increasing demographic pressures and competition for scant resources are creating tension between farmers and herders, which sometimes deteriorates into communal violence.

The COVID-19 pandemic, now a part of the equation, is having a negative economic impact. Triple Nexus partners such as the ICRC are concerned that people lack access to the resources they need to survive this latest shock.

Source: International Committee for the Red Cross (2020); International Crisis Group (2018).

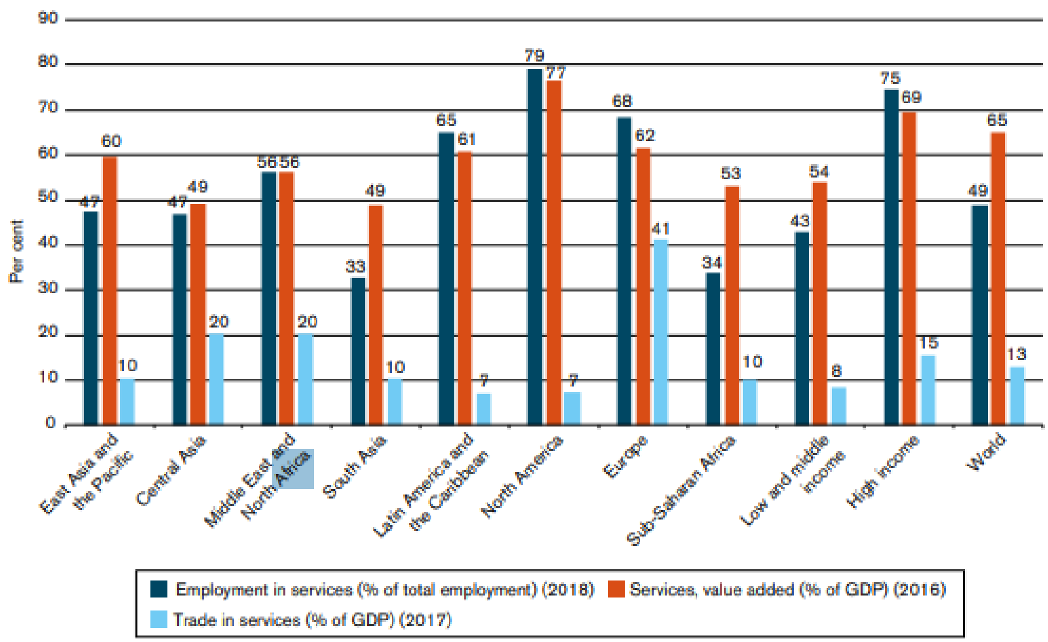
Section 2: The trade implications of conflict

Overview of Africa's trade structure and performance

Africa's performance in trade in services

Despite the constraints to measuring the economic contribution of the services sector and services trade, the sector's efficiency and the way it enables the functioning of linked services, manufacturing and agricultural activities are important. These sectors contribute to the achievement of several Sustainable Development Goals that serve Africa's young and fast-growing population, which is expected to increase to 2.5 billion by 2030 (Begashaw, 2020). In 2018, services value added accounted for 52.5 per cent of the Common Market for Eastern and Southern Africa's (COMESA) gross domestic product (GDP) and 37.2 per cent of total employment (Musengele and Kibiru, 2018). The services sector also dominates in the GDP of East African Community (EAC) states, though its commercial potential is not maximized (WTO, 2019b). The services sector's contribution to GDP exceeded 50 per cent in Africa as a whole and the world, and the sector accounted for 34–56 per cent of employment in Africa (figure 2.1). Services have a high potential for contributing to achievement of the Sustainable Development Goals through economic growth unlocked by increased productivity of services activities and enhanced access to higher quality services (WTO, 2019c).

Figure 2.1. Services sector's contribution the global economy, 2016–2018



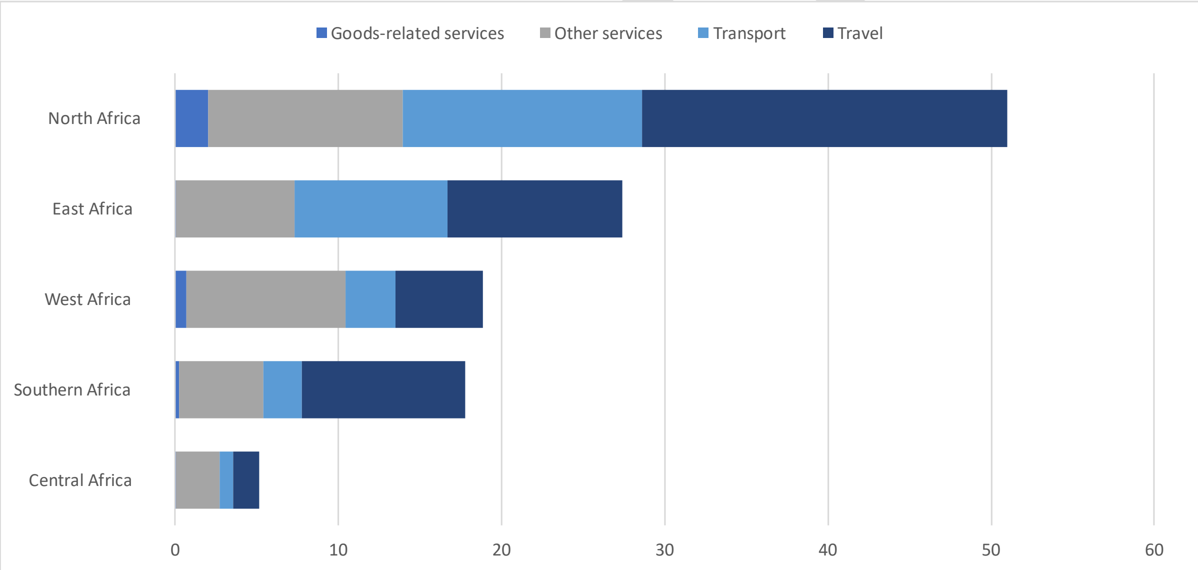
Source: World Trade Organization calculations based on data from the World Bank's World Development Indicators database.

The global services sector was valued at $5.8 trillion in 2018, representing year-on-year growth of 7.7 per cent (UNCTAD, 2019a). The top 10 commercial services exporters—the United States, several European countries, China, India, Singapore and Japan—accounted for 53 per cent of world trade in commercial services in 2017 (WTO, 2018).[10] Africa accounted for 1.9 per cent of global commercial services exports in 2017. Exports of commercial services in Africa grew by 13 per cent in 2017, and imports grew by 10 per cent. This positive performance came after previous consecutive years of decline. Between 2018 and 2019, the value of Africa's services exports declined by 3 per cent, in contrast to that of global services exports, which increased by 2 per cent. The relative sub-sector

[10] The shares were 14.1 per cent for the United States, 6.8 per cent for the United Kingdom, 5.5 per cent for Germany, 4.7 per cent for France, 4.6 per cent for China, 4.3 per cent for the Netherlands, 3.9 per cent for Ireland, 3.5 per cent for India, 3.4 per cent for Singapore and 3.3 per cent for Japan.

contributions in 2019 were 37 per cent from travel services, 21 per cent from transportation services, 6 per cent from business services, 3 per cent from telecommunication services, 3 per cent from financial services and 32 per cent from all other services (Tralac, 2020a). Growth from 2016 to 2017 varied by sub-sector, but the growth rate for travel services in Africa (25 per cent, to a surplus of $24 billion) was higher than the world average (8 per cent). Exports of goods-related services grew 4 per cent (to a surplus of $1 billion) in Africa compared with 7 per cent for the world. Exports of transport services grew 8 per cent (to a surplus of $59 billion) in Africa compared with 9 per cent for the world. Exports of other commercial services grew 4 per cent (to a surplus of $66 billion) compared with 8 per cent for the world. In 2018, Ethiopia, the United Republic of Tanzania, Uganda, Sudan, Madagascar and Senegal were among the top 10 low-income exporters of commercial services. In 2008, the list included Ethiopia, the United Republic of Tanzania, Senegal, Madagascar, Uganda and Zambia (WTO, 2018). In 2018, travel and transport services dominated services exports in all African regions except West Africa (figure 2.2). North Africa leads in services exports and has the largest contribution of goods-related services, which are highly related to industrial links with foreign entities. Goods-related services include manufacturing services on physical inputs owned by others and maintenance and repair services (UNCTAD, 2019a).

Figure 2.2. Services exports in Africa by region and sub-sector, 2018 ($ billion)



Source: UNCTAD (2019a).

Tourism services

In 2018, tourism services exports and arrivals in Africa grew for a second year, by about 12 per cent. Most countries shared in the growth, but some countries experiencing instability were negatively affected—for example, in South Africa, a top tourism destination, the decline was attributed to drought in Cape Town (WTO, 2019a). Global growth of 3.5 per cent was projected in the tourism sub-sector for 2020 but the COVID-19 pandemic dealt a severe blow and reversed expectations that tourism would continue to grow at a similar rate (WTTC, n.d.). Tourist arrivals to Africa declined by 42 per cent in the first five months of 2020 (UNCTAD, 2020a).

Transport services

Several African countries featured among the top 10 traders in transport services in 2018, and Africa's exports of transport services grew by 8 per cent over the previous year, compared with 9 per cent for Europe, 11 per cent for the Commonwealth of Independent States and 7 per cent for the world. Ethiopia and Egypt in particular saw high growth in transport and travel services. Africa registered the second highest growth in air freight transport (21 per cent) after the Commonwealth of Independent States (24 per cent); the world average was 11 per cent. Despite this performance, the cost of transport services remains a major deterrent to trade in Africa (WTO, 2019a).

Digital financial services

Continued growth in the services sector, including digital financial services, was anticipated for 2019, and growth was high in mobile banking services in East and Southern Africa. With the onset of the COVID-19 pandemic in 2020, Africa's strongest services growth sector—travel services—has been severely indefinitely impacted. But demand has increased for online payments, e-health and online education services, and cultural content. Though the World Trade Organization has favourably revised initial estimates of the trade downturn due to the pandemic, trade in 2020 and 2021 is still estimated to have been below pre-pandemic levels (WTO, 2020b). The fallout is being felt even in technology-based industries such as entertainment, but crisis mitigation includes faster upgrading of African infrastructure for efficient access to and delivery of information and communication technologies for digital solutions (UNECA, 2020a).

Africa's performance in trade in goods

Despite being highly export dependent, with extra-Africa exports accounting for 80–90 per cent of total exports (UNCTAD, 2019b), African states account for only a small proportion of international trade in goods and services relative to their geographic size, resource endowments and population. Africa accounts for an estimated 2.1 per cent of total global trade, 2.9 per cent of global GDP and 16.7 per cent of the global population (UNCTAD, 2019d). In 2017, Africa's merchandise trade increased by 3 per cent in volume and by 13 per cent in value (WTO, 2018). However, in Kenya, which accounted for 0.03 per cent of the world's total exports of goods and 0.09 per cent of total imports in 2017 (WTO, 2020a), merchandise trade declined due to unavailability of raw material, higher production costs and displacement by imports (WTO, 2019d). South Africa accounted for 0.5 per cent of world merchandise trade in 2017, and the country's merchandise exports grew by 1.5 per cent a year on average from 2002 to 2018 (WTO, 2019a).

Angola, Zambia, the Democratic Republic of the Congo, Guinea, Mozambique and the United Republic of Tanzania were among the 10 leading least developed country exporters of goods in 2019, whereas in 2008, the list included Angola, Sudan, Zambia, Chad, the United Republic of Tanzania and the Democratic Republic of the Congo. Chad and Sudan have slipped in performance relative to competitors, while Angola has maintained a place among the top five traders in this group (WTO, 2019a). African states' trade in goods is concentrated in mineral fuels, oils and derivative products, electrical and mechanical machinery, vehicles, ships and boats, iron and steel, metals, clothing, cereals and primary agricultural products.[11] The nature of goods traded makes Africa vulnerable to pricing shocks, given the limited value added through manufacturing, leading to sustained loss in trade.

The top goods imports and exports in 2013–2018 for the countries analysed in this report are similar (see annex 6). States whose top five export destinations were mainly within Africa were Cameroon, the Central African Republic, Kenya, Mozambique and Uganda. Exports from Egypt were destined more to extraregional markets in the Middle East (Brunei Darussalam, Syria), South America (Argentina) and the Caribbean (Dominica), as well as the Russian Federation, Ukraine and Yemen. Other extracontinental markets of the countries analysed include Antigua and Barbuda, Iceland, Cook Islands, Palau and Nauru. Africa's trade relationship with third countries of the African, Caribbean and Pacific Group of States is significant given the prospects for biregional cooperation to expand trade with each other, the European Union and other third countries and regions with favourable rules of origin.

African extracontinental exports consist of a narrow range of primary products and lightly processed products. The main agricultural exports destined outside Africa are from Côte d'Ivoire (mainly cocoa beans), Egypt (citrus, onions and potatoes) and South Africa (citrus and wine; Tralac, 2020a). The fastest growing US imports of agricultural products from Sub-Saharan Africa between 2010 and 2016 were cocoa, chocolate, confectionery and edible nuts, with growth anticipated for edible nuts and raw cane sugar. Among non-agricultural goods, the fastest growing US imports from the region were apparel, refined copper and catalytic converters, with growth anticipated in footwear. The United States International Trade Commission attributes growth to the renewal of the African Growth and Opportunity

[11] International Trade Centre Trade Map using UN Comtrade data.

Act (AGOA) to 2025, which enhanced market certainty, and to increased investments from the United States to these sectors.

The AGOA unilateral preferential scheme, in place since 2000, has facilitated exports to the United States for 38 eligible African countries.[12] In 2019, exports to the United States under AGOA preferences totalled $20.8 billion, and imports from the United States to AGOA beneficiaries totalled $13.9 billion. From January to August 2020, African exports under AGOA accounted for 20.4 per cent of beneficiary countries' total exports to the United States (AGOA.info, 2020b). The United States considers allowing new products after dialogue with and preparation of plans by exporting countries. Eligibility for AGOA benefits varies from year to year, resulting in export disruption for African states. Eligibility criteria include rule of law, market-based economy, political pluralism, the right to due process, the elimination of barriers to the United States, trade and investment, economic policies to reduce poverty, a system to combat corruption and bribery, and protection of internationally and recognized worker rights. Several conflict-affected African countries analysed in this report were not eligible for AGOA preferences in 2020: Cameroon, the Democratic Republic of the Congo, South Sudan and Sudan.[13] In 2009, political-related suspensions were imposed for Guinea, Madagascar and Niger. At the same time, Mauritania was restored as an AGOA beneficiary after a well-regarded government change (AGOA.info, 2020c), but preferences were withdrawn in 2019 for insufficient progress on forced labour practices (USTR, 2018). Previously, the Central African Republic was excluded from benefits on 31 December 2003 and reinstated on 15 December 2016. Burkina Faso and the Gambia have been suspended from AGOA and then restored as beneficiaries, while South Sudan had been granted beneficiary status, which was withdrawn in 2015. Guinea-Bissau and Madagascar regained eligibility in 2014 (AGOA.info, 2020a).

The European Union extends to UN-designated least developed countries unilateral preferences of duty-free access of originating goods except arms, under the Everything but Arms (EBA) scheme. Countries that move out of least developed country status receive a transition period out of EBA. Of the 47 least developed countries in 2019, 33 were African states.[14] EBA preferences do not expire but are conditioned on adhering to 15 conventions on human rights and labour rights (European Commission, 2020b). The European Commission has concluded reciprocal but asymmetrical Economic Partnership Agreements with Cameroon in Central Africa; Côte d'Ivoire and Ghana in West Africa; Madagascar, Mauritius, Seychelles and Zimbabwe in East and Southern Africa; Kenya and Rwanda in the East African Community; and Botswana, Eswatini, Lesotho, Mozambique, Namibia and South Africa of the Southern Africa Development Community (SADC; European Commission, 2020a).

The availability of attractive unilateral preferences is a determinant in the composition of African exports to the world and has limited export product sophistication. Export diversification is more likely to occur when existing export flows can continue while new trade flows are created and expanded. Tariff reductions or elimination are more likely to prompt new trade relationships, as with the planned liberalization under the African Continental Free Trade Area (AfCFTA); however, competitiveness in a new trading environment is not guaranteed (Nicita and Rollo, 2013). The suspensions of AGOA may relate to the US view of the beneficiary country's lack of openness to importing from the United States—as in, for example, used clothing in Rwanda and meat products in South Africa. The unpredictability of AGOA suspension could limit trade policy flexibility and market certainty of African states with an important trading partner.

[12] The African states eligible for AGOA preferences in 2020 were Angola, Benin, Botswana, Burkina Faso, Cabo Verde, the Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Djibouti, Eswatini, Ethiopia, Gabon, the Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda (AGOA apparel benefits suspended effective 31 July 2018), São Tomé & Príncipe, Senegal, Sierra Leone, South Africa, the United Republic of Tanzania, Togo, Uganda and Zambia (USTR, 2020a).

[13] African states not designated as AGOA beneficiaries in 2020 were Burundi, Cameroon, the Democratic of the Congo, Equatorial Guinea (graduated from the Generalized System of Preferences [GSP]), Eritrea, Mauritania, Seychelles (graduated from the GSP) and Zimbabwe (graduated from the GSP), Somalia, South Sudan, Sudan and Zimbabwe (USTR, 2020a).

[14] The EBA beneficiaries in January 2019 were Angola, Benin, Burkina Faso, Burundi, the Central African Republic, Chad, Comoros, the Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, the Gambia, Guinea, Guinea-Bissau, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Somalia, South Sudan, Sudan, the United Republic of Tanzania, Togo and Zambia (European Commission, 2020b).

Morocco and the United States signed a comprehensive free trade agreement in 2004 that entered into force in 2006 and that is credited with increasing trade between the countries. The agreement covers, among other disciplines, market access, rules of origin, cross-border trade in services, investment, transparency, government procurement, labour, environment and dispute settlement (USTR, 2020b). Kenya is positioned to be the first Sub-Saharan African economy to conclude a free trade agreement with the United States. Kenya-US trade has also been growing, particularly in textiles. While China is an increasingly important trading partner for Africa, Mauritius is the only African state that has concluded a reciprocal bilateral free trade agreement with China. That agreement, launched in December 2017 and signed in October 2019, covers trade in goods and services, investment, and cooperation in agriculture, finance, medical care and tourism (China FTA Network, 2019).

Intraregional trade in goods

Most African states' exports are destined to the rest of the world, particularly to developed economies. With respect to single country partner markets, the volume of trade between African states and South Africa is comparable to that between African states and the United States. Both South Africa and the United States feature in the top five trading partner markets of the 48 AU member states in Sub-Saharan Africa.[15] Total exports from these 48 states was $281.8 billion (free on board) in 2018, and total imports was $273.3 billion (cost, insurance and freight. When oil and diamonds are included in trade figures, the top five export markets were China (13.3 per cent), India 9.3 per cent), the Netherlands (5.3 per cent), the United States (5.2 per cent) and South Africa (4.5 per cent). The top two import markets for Sub-Saharan African countries were China (16.5 per cent) and South Africa (4.5 per cent) (World Bank, 2020).

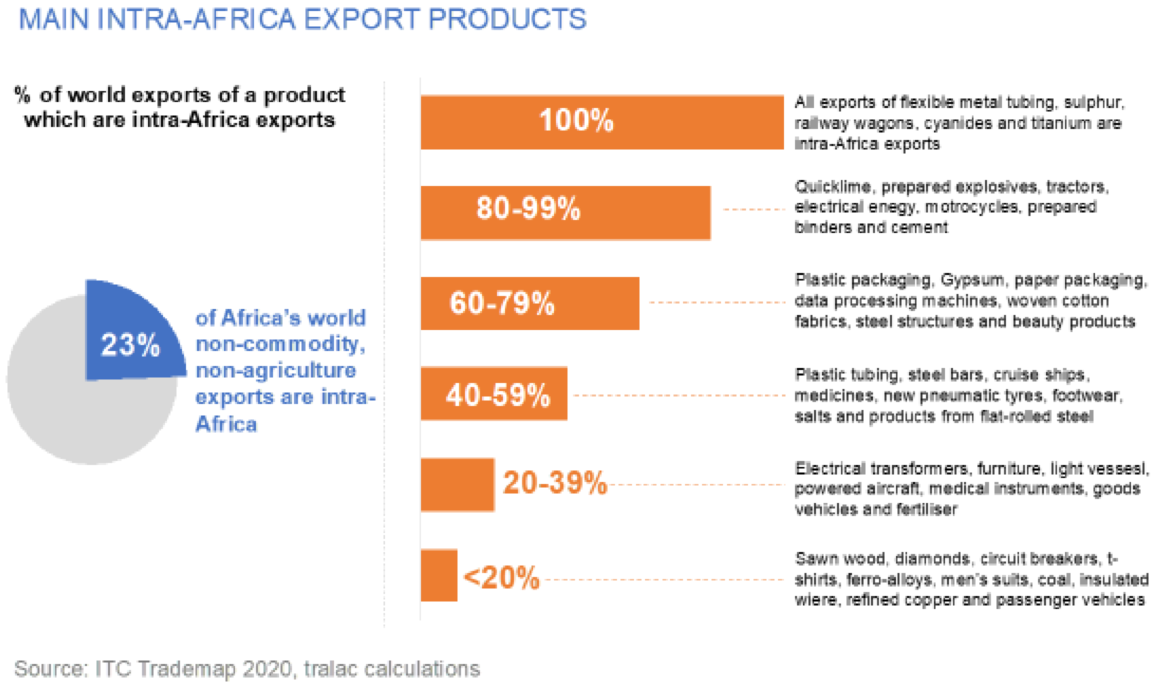
In 2017, intraregional exports accounted for 16.6 per cent of total exports in Africa, less than the 50 per cent in other regions (68.1 per cent in Europe, 59.4 per cent in Asia and 55.0 per cent in the Americas). Similarly, in 2015–2017, intraregional trade was approximately 2 per cent in Africa, well below the 67 per cent in Europe, the 61 per cent in Asia and the 47 per cent in the Americas (UNCTAD, 2019b).

The bulk of intra-Africa exports (57 per cent) are non-commodity and non-agricultural products, including flexible tubing, vessels, electrical energy, diamonds, motor vehicles and cement (figure 2.3). In 2019, intra-Africa exports accounted for 15 per cent of Africa's exports to the world and were valued at $69 billion, down 8 per cent from 2018. South Africa accounts for 35 per cent of intra-Africa exports and 17 per cent of intra-Africa imports. Collectively Côte d'Ivoire, Egypt, Nigeria and Zimbabwe account for 31 per cent of intra-Africa exports. Notably, Nigeria and Zimbabwe have seen substantial growth in goods exports. Commodities dominate intra-Africa exports, accounting for 29 per cent in 2019, led by petroleum oil (62 per cent of intra-Africa commodity exports). Other commodities exported to African partners include gold, petroleum gas, ores and concentrates, and some agricultural products.

Intra-Africa agricultural trade totalled $11.6 billion in 2019, 17 per cent of total intra-Africa exports, resulting in a surplus of agricultural products, intra-African imports of which were valued at $10.7 billion, or 16 per cent of the total. Intra-Africa imports are generally concentrated in Ghana and in the Southern African states of Botswana, Mozambique, Namibia and Zambia, and the main intra-Africa importers of agricultural products are South Africa, Kenya, Botswana, Namibia and Egypt. A quarter of African agricultural imports—mainly wheat, maize, soya beans and frozen beef—come through Egypt.

[15] This group can also be identified as all African Union members except Egypt and countries in the Arab Maghreb Union.

Figure 2.3. Intra-Africa export products

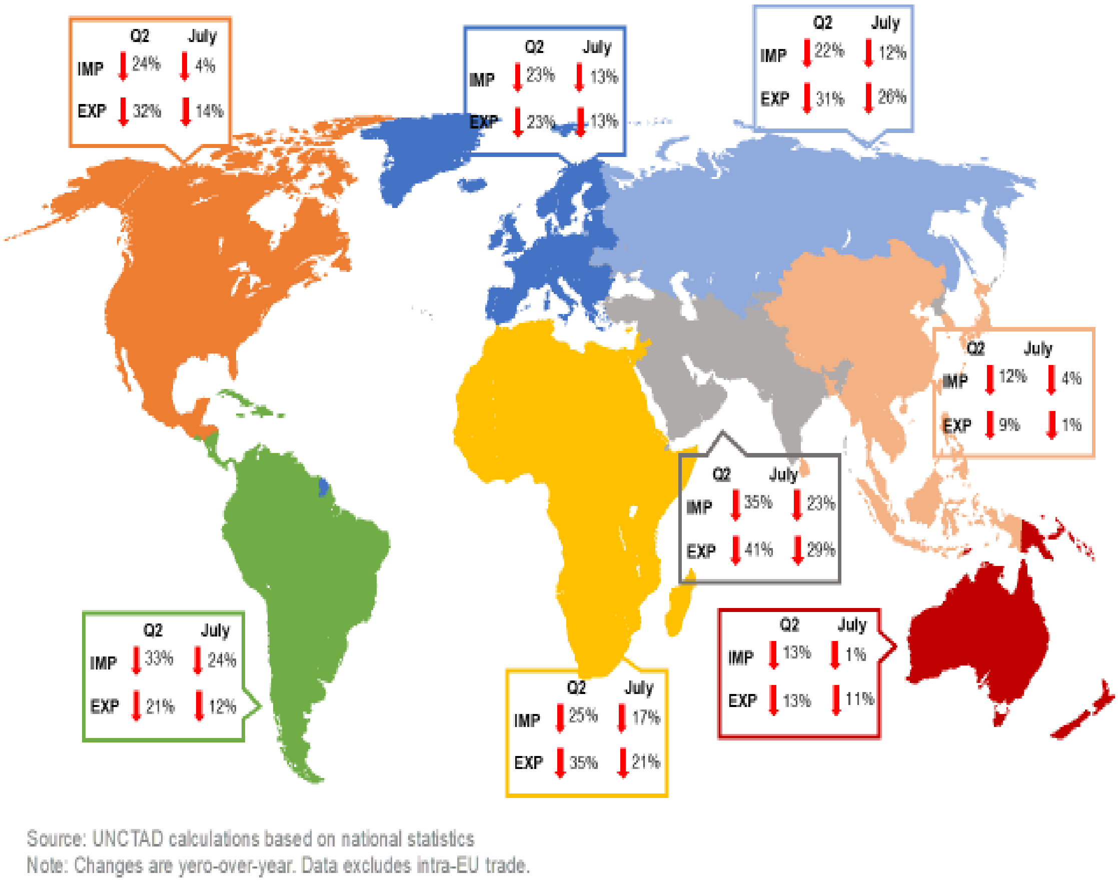


Source: International Trade Centre Trade Map and Tralac calculations.

The trade impact of the COVID-19 pandemic

Before the COVID-19 pandemic, Africa's economy was projected to grow by more than 4 per cent from 2019 to 2020. The AfCFTA was expected to prompt growth of over 5 per cent in more than 40 per cent of African economies because of rising commodity process, demand and infrastructure investment (UNDESA, 2020). The outlook and forecasts for global trade amid the pandemic are under constant revision. In April 2020, world merchandise trade for 2020 was projected to decline by at least 12.9 per cent—and by as much as 32 per cent—from 2019 (WTO, 2020c). Trade in services is estimated to have had a more dramatic year-on-year decline of 23 per cent from 2019 (WTO, 2020b). As the pandemic set in, Africa's trade levels responded in April: during the first quarter of 2020, Africa's imports declined by 2 per cent, and exports increased by 4 per cent, but in April, Africa's imports declined by 21 per cent, and exports declined by 36 per cent (UNCTAD, 2020c). In the second quarter of 2020, Africa's imports declined by 25 per cent, and exports declined by 35 per cent (figure 2.4; UNCTAD, 2020a). Exporters of energy-related products are expected to have fared better than exporters of other products (WTO, 2020c), which could be positive for some African states. By August 2020, AGOA-eligible countries' exports stood at $12.3 billion, down 11.7 per cent from August 2019; $2.5 billion of these exports entered under AGOA preferences (AGOA.info, 2020b).

Figure 2.4. Global trade fallout from the COVID-19 pandemic by region, 2019–2020 (year on year)



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Note: Excludes intra-EU trade.
Source: United Nations Conference on Trade and Development calculations based on national statistics.

Trade and the internal displacement of people

This section examines the dynamics of trade and internal displacement of people. It discusses the trade response of conflict-affected states during internal displacement of people in terms of net trade balance, as well as changes in goods imports and exports in the year that new displacement occurred and the near term. Several macroeconomic and trade and integration indicators are also considered—in particular, GDP, trade openness (trade-to-GDP ratio), the level of regional integration within Africa, the composition of goods exports and the contribution of goods and services exports to GDP. The section briefly explores the potential relationship between changes in trade and the proportion of internally displaced persons relative to the total population of the state. The countries of focus span North Africa, the Sahel, the Great Lakes and East and Southern Africa, Central Africa and the Horn of Africa, as well as Burkina Faso and Uganda:

- North Africa: Algeria, Egypt, Libya.
- The Sahel: Chad, the Gambia, Mali.
- The Great Lakes and East and Southern Africa: the Democratic Republic of the Congo, Kenya, Mozambique.[16]
- Central Africa: Cameroon, the Central African Republic.
- Horn of Africa: South Sudan, Sudan.

Given the 2019 spike in internally displaced persons in Burkina Faso, Mozambique and Uganda—due mainly to violent extremism, political violence and natural disaster—the report suggests developments

[16] The Democratic Republic of the Congo is also considered Central Africa. The groupings used in this report differ from the African Union's geographic groupings (available at https://au.int/en/member_states/countryprofiles2).

that may lie ahead. The experiences of the countries selected provide insight on the wider and varied experience of the countries[17] analysed in this report, based on regional economic community (REC) membership (table 2.1),[18] income, push factors for displacement of people, trade openness and geography (landlocked versus coastal).

Table 2.1. Membership in regional economic communities in Africa

Regional economic community	Members
Arab Maghreb Union	**Algeria, Libya**, Mauritania, Morocco, Tunisia
Common Market for Eastern and Southern Africa	Burundi, Comoros, **Democratic Republic of the Congo,** Djibouti, **Egypt,** Eritrea, Eswatini, Ethiopia, **Kenya, Libya,** Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, **Sudan,** Tunisia, **Uganda,** Zambia
Community of Sahel-Saharan States	Benin, **Burkina Faso**, **Central African Republic, Chad,** Comoros, Côte d'Ivoire, Djibouti, **Egypt,** Eritrea, **the Gambia,** Ghana, Guinea-Bissau, **Libya, Mali**, Mauritania, Morocco, Niger, Nigeria, Senegal, Sierra Leone, Somalia, **Sudan,** Togo, Tunisia
East African Community	Burundi, **Kenya,** Rwanda, **South Sudan**, **Uganda,** United Republic of Tanzania
Economic Community of Central African States	Angola, Burundi, **Cameroon,[a] Central African Republic,[a] Chad,[a]** Congo, **Democratic Republic of the Congo,** Equatorial Guinea, Gabon, Rwanda, São Tomé and Príncipe
Economic Community of West African States	Benin, **Burkina Faso**, Cabo Verde, Côte d'Ivoire, **the Gambia**, Ghana, Guinea, Guinea-Bissau, Liberia, **Mali,** Niger, Nigeria, Senegal, Sierra Leone, Togo
Inter-governmental Authority on Development	Djibouti, Eritrea, Ethiopia, **Kenya,** Somalia, **South Sudan Sudan, Uganda**
Southern African Development Community	Angola**,** Botswana, **the Democratic Republic of Congo,** Eswatini, Lesotho, Madagascar, Malawi, Mauritius, **Mozambique**, Namibia, Seychelles, South Africa, United Republic of Tanzania, Zambia, Zimbabwe

a. Also members of the Central African Economic and Monetary Community, with Congo and Equatorial Guinea.
Note: Countries in bold are the 15 states most impacted by internal displacement of people.
Source: African Union (2020).

The World Bank income classifications of the selected states are:

- Upper middle income: Libya.
- Lower middle income: Algeria, Cameroon, Egypt, Kenya.
- Low-income: Burkina Faso, Chad, the Central African Republic, the Democratic Republic of the Congo, the Gambia, Mali, Mozambique, South Sudan, Sudan, Uganda.

Of the 34 countries analysed in this report, 22 are classified as least developed countries by the United Nations, reflecting structural impediments to advancement. The analysis of the relationship between conflict and trade disruption is more thorough for goods trade than for services trade.

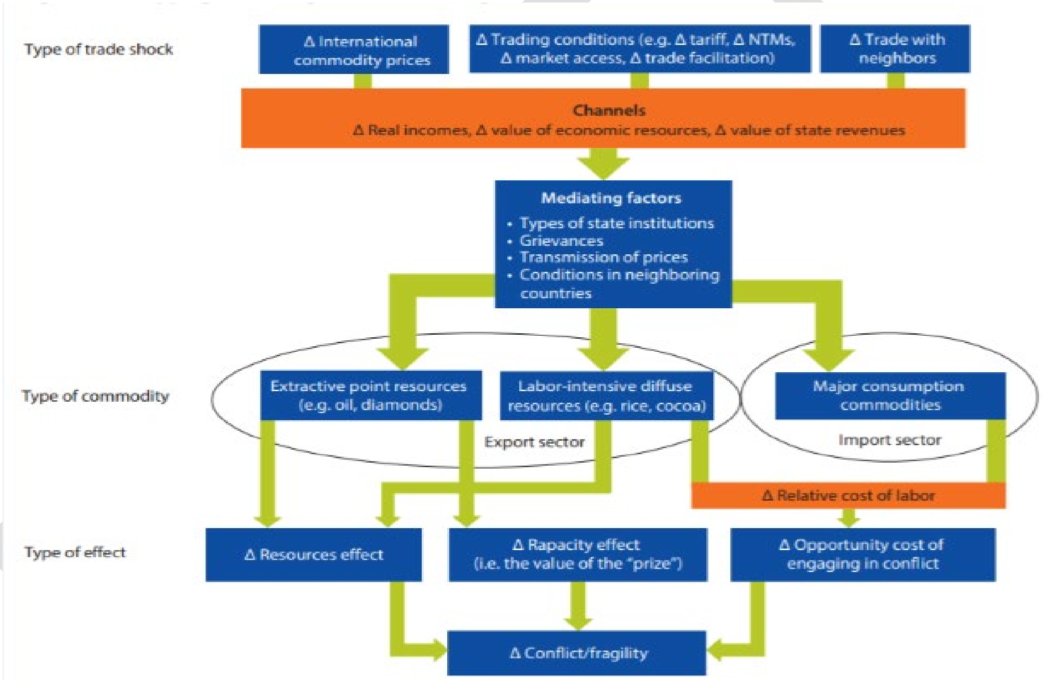
[17] The 34 countries analysed in the report are: Algeria, Angola, Burkina Faso, Burundi, Cabo Verde, Cameroon, the Central African Republic, Chad, Comoros, the Democratic Republic of the Congo, Djibouti, Egypt, Eritrea, Ethiopia, Gabon, the Gambia, Guinea, Kenya, Libya, Madagascar, Malawi, Mali, Mauritania, Morocco, Mozambique, Niger, Nigeria, Rwanda, Somalia, South Sudan, Sudan, the United Republic of Tanzania, Uganda and Zimbabwe.
[18] The African Union recognizes eight RECs: the Arab Maghreb Union, the Common Market for Eastern and Southern Africa, the Community of Sahel-Saharan States, the East African Community, the Economic Community of Central African States, the Economic Community of West African States, the Inter-governmental Authority on Development and the Southern African Development Community.

For goods trade, African states are sensitive to prevailing international commodity prices, which affect the demand for and actual value of goods exports. Price fluctuations are associated with a 2.2–2.5 per cent higher probability of conflict, particularly in price-point commodity-dependent countries (Cali, 2015).

Commodity prices, the trade conditions arising from trade policy and practice, and the extent of trade with neighbours collectively affect an economy's income and wealth stores (figure 2.5). Mediating (or conditioning) factors are largely internal to the specific state and relate to institutional capacity for trade and treatment of grievances, to the mechanism for transmitting prices and to conditions in neighbouring countries. It is at this level that trade intersects with humanitarian, development and peace interventions.

Changes in export prices have little or no effect in states with high government accountability, low income inequality and low ethnic division. Further, states with a federal government tend to be less susceptible to conflict triggered by a commodity price shock. The mediating factors had a limited effect on conflict for shocks caused by changing import prices and changing demand from trade partners. Therefore, the variables reviewed are not considered strong triggers for conflict (Cali, 2015).

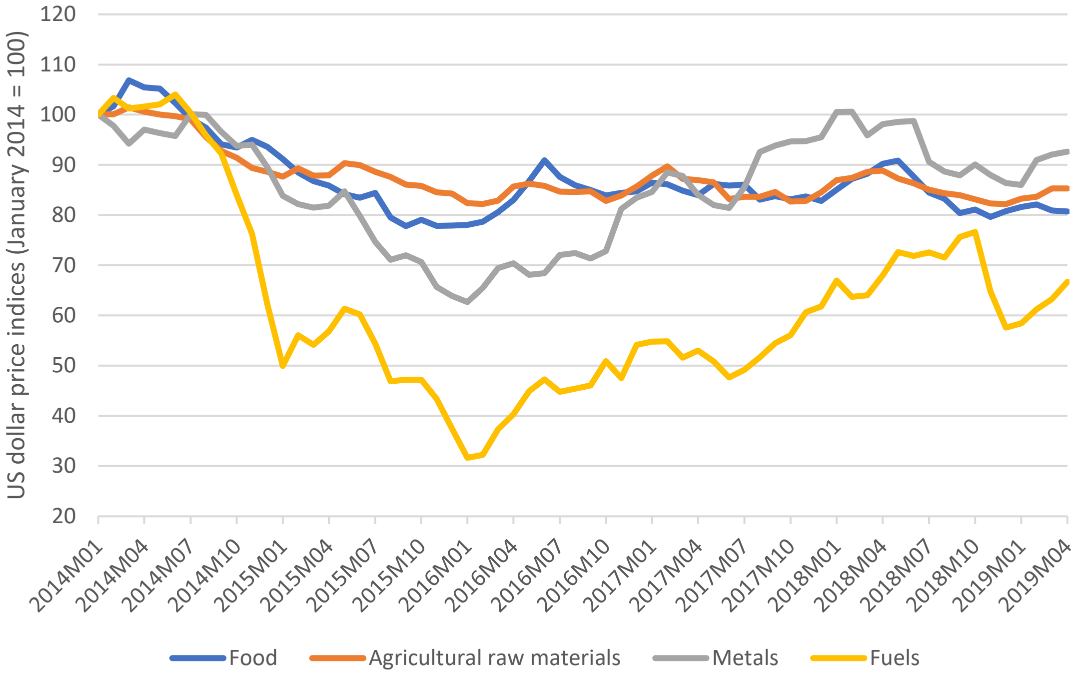
Figure 2.5. Mapping the links between trade flows and changes in civil conflict



Source: Cali (2015).

In 2018, the value of fuel and mining product exports was down 9 per cent from 2008 (figure 2.6; WTO, 2019a). The case studies in appendix 1 expand the analysis to trade in services and review the historical response of trade flows of goods and services to conflict, taking into account displacement. They reflect considerable variation across states in response to the onset of conflict. This variation signals weakness in the relationship between conflict onset and specific trade and overall economic effects in terms of GDP.

Figure 2.6. Primary commodity prices, January 2014–December 2019



Source: WTO (2019a), based on primary commodity price data from the International Monetary Fund.

Based on Fragile States Index scores, calculated by the Fund for Peace, some of the countries analysed in this report are highly vulnerable to conflict because of lack of state capacity to respond to conflict pressures.[19] Scores are based on 12 conflict risk indicators in four categories (Figure 2.6).

Figure 2.7. Indicators of the Fragile States Index

COHESION INDICATORS	ECONOMIC INDICATORS	POLITICAL INDICATORS	SOCIAL AND CROSS-CUTTING INDICATORS
			
C1: Security Apparatus C2: Factionalized Elites C3: Group Grievance	E1: Economic Decline E2: Uneven Economic Development E3: Human Flight, Brain Drain	P1: State Legitimacy P2: Public Services P3: Human Rights and Rule of Law	S1: Demographic Pressures S2: Refugees and internally displaced persons X1: External Intervention

Source: Fund for Peace (2020).

Of the 178 countries ranked, 14 of the countries analysed in this report ranked between 3rd and 51st most fragile. South Sudan, the Democratic Republic of the Congo, the Central African Republic, Chad and Sudan were among the top 10 most fragile states (table 2.2; Fund for Peace, 2020). The analysis does not cover any island states, so the particularities of Comoros and Madagascar may require specific analysis. The Fragile States Index complements the UN Economic Vulnerability Index, which categorizes exposure to vulnerability based on size, location, economy and environment, as well as terms-of-trade shocks, disaster-related natural shocks and instability of agricultural production, such as floods or drought. The UN Economic Vulnerability Index is used in monitoring and evaluating development targets for the least developed countries (UNDESA, n.d.).

[19] The Fragile States Index measures vulnerability before, during and after conflict situations; higher scores indicate higher fragility.

Table 2.2. Fragile States Index ranking of states with internal displacement of people, 2020

Rank	Country	Score
3	South Sudan	110.8
5	Democratic Republic of the Congo	109.4
6	Central Africa Republic	107.5
7	Chad	106.4
8	Sudan	104.8
11	Cameroon	97.9
16	Mali	96.0
20	Libya	95.2
24	Uganda	92.8
27	Mozambique	91.7
29	Kenya	90.3
35	Egypt	86.0
37	Burkina Faso	85.9
51	The Gambia	82.2
71	Algeria	74.6

Note: Higher scores indicate higher fragility.
Source: Fund for Peace (2020).

The state of African regional integration

To broaden and deepen intra-Africa trade, African states have adopted the African Regional Integration Index as a monitoring and evaluation tool.[20] The index allows policymakers to track trends in the integration of African states and RECs. It is a composite index that combines five dimensions of regional integration: trade integration, infrastructure integration, productive integration, macroeconomic integration and free movement of people.

Analysing the high-performing countries in the trade integration dimension of the 2019 Africa Regional Integration Index in a REC that are not high performers on the index suggests that high trade integration on its own does not preclude conflict, as several high-performing countries are experiencing persistent conflict (table 2.3). The 10 African economies with the highest trade integration in 2019 were Eswatini, Namibia, Lesotho, South Africa, Zimbabwe, Côte d'Ivoire, Botswana, the Gambia, Senegal and Ghana. Trade integration scores (on a scale of 0, less integrated, to 1, more integrated) for the RECs are 0.481 for the Arab Maghreb Union (AMU), 0.445 for COMESA, 0.377 for the Community of Sahel-Saharan States (CEN-SAD), 0.440 for the EAC, 0.357 for the Economic Community of Central African States (ECCAS), 0.438 for the Economic Community of West African States (ECOWAS), 0.444 for the Inter-governmental Authority on Development (IGAD) and 0.340 for SADC.

[20] The Africa Regional Integration Index was first developed in 2016 as a joint initiative of the African Union Commission, the United Nations Economic Commission for Africa and the African Development Bank; the improved 2019 edition was launched in May 2020.

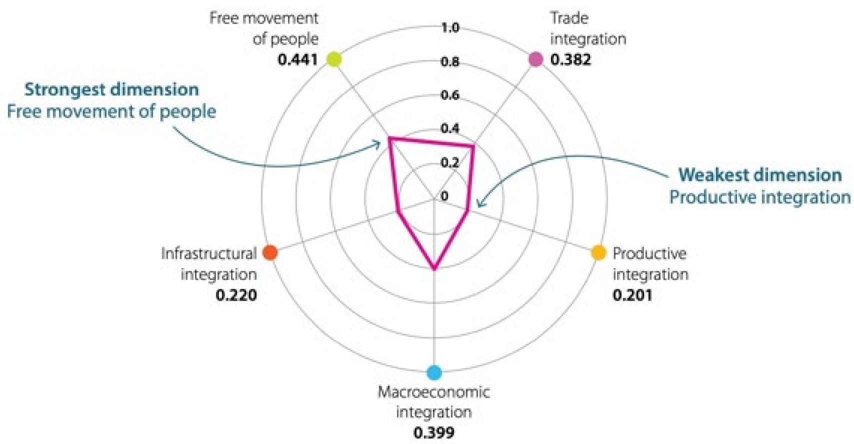
Table 2.3. High-performing countries in the trade integration dimension of the African Regional Integration Index, by regional economic community, 2019

Regional economic community	**Countries and trade integration scores (average = 0.383)**
Arab Maghreb Union	Algeria (0.507) Libya (0.390) Morocco (0.465) Tunisia (0.790)
Common Market for Eastern and Southern Africa	Djibouti (0.438) Egypt (0.414) Rwanda (0.435)
Community of Sahel-Saharan States	Burkina Faso (0.434) Djibouti (0.438) The Gambia (0.472) Ghana (0.454) Senegal (0.472)
East African Community	Kenya (0.428)
Economic Community of Central African States	Chad (0.386) Equatorial Guinea (0.403) Gabon (0.402) Congo (0.448) São Tomé and Príncipe (0.404)
Economic Community of West African States	Côte d'Ivoire (0.506) Niger (0.425)
Inter-governmental Authority on Development	Ethiopia (0.407) Uganda (0.434)
South African Development Community	Botswana (0.496) Eswatini (0.730) Lesotho (0.655) Mozambique (0.411) Namibia (0.715) South Africa (0.627) Zambia (0.431) Zimbabwe (0.550)

Note: Trade integration scores range from 0, less integrated, to 1, more integrated.
Source: Africa Regional Integration Index Platform (https://arii.uneca.org/en-US).

The strongest dimension on the 2019 Africa Regional Integration Index was the free movement of people (figure 2.8). Five REC scores were above the average of 0.441: EAC (0.664), ECCAS (0.469), ECOWAS (0.733), CEN-SAD (0.508) and SADC (0.490). The RECs with below-average scores were COMESA (0.385) and AMU (0.438). ECCAS had a moderate free movement score. Among ECOWAS members, only Burkina Faso, Mali and Togo have enforced the Free Movement Protocol. Of the 11 ECCAS members, 8 had high scores in the macroeconomic integration dimension. Morocco had a high score on this aspect, in contrast to Angola's score of 0. The Democratic Republic of the Congo, which has the most new internally displaced persons, was the least integrated state overall in SADC and one of the least integrated in ECCAS.

Figure 2.8. Africa Regional Integration Index scores by integration dimension, 2019



Source: UNECA (2019).

This report elaborates the potential benefit of integration, including value chain integration. Trade agreements could support value chain integration by, for example, improving conditions for competition through clear and effective market access and national treatment rules, liberalizing commitments in goods and services, facilitating commercial partnerships and cross-border investment and adopting commercially relevant rules of origin. Trade was expected to begin in the AfCFTA in July 2020, but some regimes remain under negotiation and will likely continue to be delayed in deference to the trade imperatives arising from the COVID-19 pandemic.

See annex 3 for an assessment of regional integration through the lens of the Fragile States Index.

Conflict, displacement and trade disruption

The population of the countries analysed in this report increased between 2000 and 2019 across the board. Libya, with the lowest population growth rate (26.5 per cent) grew to 6.78 million people, while Chad, with the highest population growth rate (90 per cent) reached 15.9 million. Population pressure and protracted violence and large-scale violence are risk factors for conflict and instability.[21]

Appendix 1 presents 2000–2019 trends in internally displaced persons (due to conflict and disasters), as well as exports, imports and GDP for each of the countries analysed. Internally displaced persons as a share of the total population relative to annual change in exports, imports and trade openness are also presented to explore whether displacement beyond certain levels could be linked to a trade disruption.

The main variables that influence a country’s near-term trade disruption and ability to rebound from new displacements are trade openness combined with income (as measured by GDP) and level of fragility. Regional integration scores do not play a major role. Higher income countries may experience less of an impact initially, but this may be countered by the country’s level of fragility. The trade-to-GDP ratio of the economies observed tended to fall at the onset of or immediately before a large increase in internally displaced persons—for example, in South Sudan in 2013 as the civil war got under way. As previously noted, a conflict or flood-based disaster in or near a trade hub or production area would disrupt trade. Production in enclaves or extraction from mines tend to benefit from security services.

[21] The risk factors for conflict and instability identified in the Africa Governance Report 2019 (Mo Ibrahim Foundation, 2019) are poverty and inequality; disruptive transitions—for example, from autocratic to democratic rule and vice-versa; lack of democracy or democratic accountability; population pressure; social and economic exclusion; protracted violence—particularly large-scale conflicts that are prone to relapse; spill-over effects from neighbouring countries; and poor political and natural resource governance.

There appears to be a strong relationship between onset of conflict-related displacement of people and trade disruption in a few conflict-affected states—for example, the Central African Republic. However, the underlying factors are not definitive. In highly open states with a trade-to-GDP ratio over 100 per cent, the sensitivity of the economies and trade flows varies widely, with Libya appearing to be the most sensitive of the countries analysed. It is also unclear whether the trade position of the affected state would have been worsening ahead of an event triggering displacement or as conflict was intensifying. The composition of trade, in terms of the goods and services produced and traded, appears to be a factor in trade sensitivity and volatility in situations of displacement of people.

Concluding thoughts on the dynamics of trade and internal displacement of people

The analysis of the selected African states reveals that high fragility, trade openness and population displaced relative to population size contribute to the effect of internal displacement of people on GDP growth and trade performance. Cross-border refugee flows due to violence and natural disasters exert pressure on already fragile states that neighbour conflict-affected states. In the analysis, the most affected countries in each region face a combination of negative factors. These factors were not weighted, and the factors facing a state affected by internal displacement of people might be so contextual that generalizations could be misleading. Notwithstanding, it might be possible to estimate a host state's short-term capacity to absorb the shock of displacement of people. For example, Libya exhibits a high responsiveness to conflict, to displacements and to both conflict and displacement together. This could be linked to its relatively small population (under 7 million) or its high trade openness (118 per cent in 2019 compared with 45.3 per cent in 2000).

Identifying a causal relationship between conflict and trade disruption is difficult without examining a specific conflict event. Several qualifiers to the official trade statistics oblige deeper analysis on a case-by-case basis: local context, trading activities in the affected locations and trade policy response of trading partners to the conflict (such as sanctions or other trade-limiting measures). The increasingly large role of trade in intangibles in African states and the regulation of African states' trade volumes under trade preferences also affect the direct relationship between trade shock and conflict. On the relationship between trade and internal displacement of people, Algeria, Cameroon, Chad, the Central African Republic, the Democratic Republic of the Congo, Egypt, the Gambia, Kenya, Libya, Mali, Mozambique, South Sudan and Sudan had distinct experiences. The main variables that influence a country's near-term trade disruption and ability to rebound from new displacements are trade openness combined with income (as measured by GDP) and a country's level of fragility.

Higher income countries may experience less impact initially, but this may be countered by a country's level of fragility. Take Mozambique, which has experienced periodic flood-related displacement of people since 2008, compounded by insurgency in 2013 concurrent with a loss of resources for social and infrastructure investment, followed by a rise in new militant groups. The largest disaster-related displacement took place in 2019. While conflict did not account for a large displacement, Mozambique's Fragile States Index score worsened, so displacement of people is not necessarily a measure of conflict intensity or a determinant of fragility. Of the countries analysed, Mozambique and Libya had the greatest worsening of Fragile States Index score between 2006 and 2020, suggesting a rapid decline in ability to manage the stress of conflict situations. Mozambique's score rose by 16.9 points, from 74.8 in 2006 to 91.7 in 2019; Libya's rose by 26.7 points, from 68.5 points to 95.2 points (Fund for Peace, 2020).[22]

A conflict or flood in a trade hub or production area can also disrupt trade. These events also have implications for supply chains, which merits empirical elucidation. Production in enclaves or extraction from mines tends to benefit from security services (see, for example, the Democratic Republic of the Congo and South Sudan) that would limit direct exposure to conflict, leading to stable GDP and volume of some exports. Security itself is subject to breach in intensified conflict and where agitator groups are highly organized. For example, in August 2020, the Mozambique port city of Mocimboa da Praia was seized after four days of fighting against security forces (Harding, 2020).

[22] 2006 is the earliest year for which the Fragile States Index score is calculated.

Other factors potentially affecting internal displacement of people are reduced inflows of foreign direct investment, persistent religious-based conflict, transnational organized crime and lack of structural economic integration to incentivize peace and commodity prices. Investment climate and performance may also play a role in trade performance. In 2019, foreign direct investment flows to Nigeria declined by 48.5 per cent, to $3.3 billion, and flows to Ethiopia declined by 24 per cent, to $2.5 billion, whereas flows to Egypt, which is emerging from a recent conflict-related crisis, increased by 10.7 per cent, to $9 billion. The decline in 2019 is attributable in part to the COVID-19 pandemic, which deepened its abrupt negative impact in 2020, leading to the expectation that foreign direct investment flows to Africa would decline by 25–40 per cent in 2020, creating a shock for developing countries that rely on international investments for extractive and other sectors. Commodity-dependent countries would be particularly vulnerable in the face of the downturn in foreign direct investment and low commodity process (UNCTAD, 2020b).

The African Continental Free Trade Area’s prospects for promoting trade integration and mitigating the migration of internally displaced persons

Trade agreements can foster integrated economies and reduce conflict by creating disincentives among states and their actors due to the potential loss of property and other disruption caused by conflict. These disincentives need to be accompanied by incentives that foster intergroup cohesion, trust and predictability of trade regulations. Changes in export prices of some high-demand commodities also have a limited effect on conflict in states with high government accountability, low income inequality and high social cohesion. This suggests that active and deliberate trade governance aimed at wide-scale income generation could foster peace and stability. There appears to be a relationship between, among other things, trade integration (as measured by the African Regional Integration Index) and peace and stability. Trade in goods that includes tariffs and non-tariff measures and rules of origin and trade in services, investment and cooperation are most closely linked to the trade integration, free movement of people and productive integration dimensions of regional integration. Deepening of trade and investment relations within Africa is guided by 12 national and regional priority areas articulated by the African Union:

- Sustainable and inclusive economic growth.
- Human capital development.
- Agriculture value added and agro-businesses development.
- Employment generation, especially among young people and women.
- Social protection.
- Gender and women’s development and youth empowerment.
- Good governance, including capable institutions.
- Infrastructure development.
- Science, technology and innovation.
- Manufacturing-based industrialization.
- Peace and security.
- Culture, arts and sports.

The AfCFTA, a flagship project of the African Union, was signed by 44 of the 55 African states on 21 March 2018 and has now been signed by 54 states. It entered into force on 30 May 2019 for the signatory states at that time. Its operational phase launched on 7 July 2019. As of November 2020, 30 countries had deposited their instruments of ratification and were implementing the agreement.[23] Implementation was scheduled to commence with countries trading on 1 July 2020. However, because of the COVID-19 pandemic, the trading date shifted to 1 January 2021 and some aspects of negotiation have been protracted. As of May 2022, no trade has taken place yet under the AfCFTA regime (Tralac,

[23] The 30 states that had ratified the AfCFTA as of mid-November 2020 are Angola, Burkina Faso, Cameroon, Chad, Congo, Côte d’Ivoire, Djibouti, Egypt, Equatorial Guinea, Eswatini, Ethiopia, Gabon, the Gambia, Ghana, Guinea, Kenya, Mali, Mauritania, Mauritius, Namibia, Niger, Rwanda, the Sahrawi Republic, São Tomé and Príncipe, Senegal, Sierra Leone, South Africa, Togo, Uganda and Zimbabwe. Algeria, Somalia and Zambia have indicated approval of ratification (Tralac, n.d.).

2022). This section briefly reviews the AfCFTA framework, focusing on Phase I negotiations, and comments on Phase II negotiations on investment.

A framework for intraregional trade and the Triple Nexus

African states enjoyed a favourable forecast for economic growth—at more than 4 per cent—for 2019–2020, with the expectation that the AfCFTA, fuelled by favourable commodity prices and investment in infrastructure, would stimulate participating economies to grow by 5 per cent or more. During the COVID-19 pandemic, trade corridors were created to accelerate the flow of pharmaceuticals, food, personal hygiene items and other necessary supplies within the African Union (Tralac, 2020b).

The AfCFTA has been described as the stimulus package for Africa (CNBC Africa, 2020) because it is intended to stimulate jobs and industrial growth for development, including through meaningful rules of origin to promote value chains within African states rather than transhipment. Harmonized rules on investment and trade facilitation and coordination of customs and other procedures are expected to improve the ease of doing business across signatory states. Once the requisite administrative capacity is in place, this aspect of AfCFTA implementation could enhance the efficiency and cost effectiveness of administering trade transactions. This may be particularly beneficial for states with overlapping REC membership, such as Burkina Faso, Chad, the Democratic Republic of the Congo, Kenya, Libya, Sudan and Uganda.

Trade in goods and the effects of moving goods efficiently across borders

Major gains in trade facilitation are expected from the AfCFTA through the harmonization of administrative procedures and removal of non-tariff barriers. Tariff reduction would apply to over 90 per cent of tariff lines within 5–15 years of implementation of the agreement, with a longer timeframe for least developed countries, based on linear formula approaches (UNECA, 2020b). The new regime is expected to yield gains by increasing consumption of local African products, which will be more price competitive and no longer displaced by cheaper regional imports.

In reality, the potential impact of reducing and eliminating tariffs under the AfCFTA depends on the extent to which new liberalization commitments towards economic integration are expected of conflict-affected states and on the cooperation mechanisms built into the agreement for liberalizing trade. The AfCFTA takes into account the varying situations of African economies through variable geometry in commitments and special and differential treatment for particular states. But linear tariff cuts that apply to both 90 per cent of the number of tariff lines and the value of trade could disrupt fragile and vulnerable economies with an already narrow band of production and exports. The AfCFTA is expected to yield gains from increased trade facilitation and productive integration of states, though the commitments of least developed countries has yet to be determined.

Least developed countries are expected to have a longer timeframe for reducing tariffs. This is a benefit because of the importance of customs duties and other border charges in overall government revenue. North Africa has no least developed countries, but the other regions of Africa each have several. They include the 2016 crisis hotspots of Angola, Burundi, Cameroon, the Central African Republic, Chad and South Sudan; the 2019 crisis hotspots of Mali and Somalia; and Djibouti, Eritrea, Ethiopia, the Gambia, Guinea, Guinea-Bissau, Liberia, Malawi, Mauritania, Mozambique, Niger, Rwanda, Senegal, Sierra Leone, Sudan, Uganda and Zambia. Several least developed countries that are not affected by conflict have a lot of internally displaced persons due to disaster and host cross-border refugees. Non–least developed countries severely impacted by conflict, such as Nigeria, may require special approaches to advance crisis mitigation and regional integration.

The AfCFTA schedules of commitment are under negotiation. The negotiations are complex because of the large number of countries involved as well as signatories' overlapping participation in multiple RECs with different national tariff regimes because of existing customs unions and trade liberalization agendas. The eight RECS are to serve as building blocks for the negotiations. Administering the national tariff regimes should become more streamlined in three RECs with the conclusion and signature of the Tripartite Free Trade Agreement among COMESA, EAC and SADC members in 2015 and ratification by eight countries as of 25 February 2020.[24] The Tripartite Free Trade Agreement includes more than half the AfCFTA signatories, which collectively account for 60 per cent of Africa's GDP, and is expected to set a base for the AfCFTA through market integration and industrial and infrastructure development (Osemo, 2020). This approach is valuable because productive integration is the weakest dimension of African regional integration, followed by infrastructure integration. The TFTA will enter into force when ratified by 6 more of the 29 signatory countries.

AfCFTA states' agreements with extraregional partners are another source of complexity that makes it difficult to anticipate actual market competition. Non-AfCFTA parties would likely be interested in the ambition of the agreement relative to legally binding commitments in the World Trade Organization (WTO) and to commitments that apply in commercial practice. African economies account for about a third of WTO membership, and their WTO commitments extend to all members under the most favoured nation principle.

Several African states hold only WTO observer status while negotiating accession: Algeria and Libya of the AMU, Equatorial Guinea of ECCAS, South Sudan of IGAD and Ethiopia and Somalia of COMESA. Concurrent WTO accession by states with limited experience with trade agreements or low administrative capacity to prepare, participate in or implement trade agreements is potentially prejudicial. WTO accession negotiations have resulted in deep liberalization commitments that may be disproportionate to the commitments associated with economies of similar development level and size—for example, Vanuatu. Deep WTO commitments by acceded AfCFTA parties could undermine existing commitments and leak forthcoming AfCFTA benefits to third parties. Libya, not party to the Tripartite Free Trade Agreement, is a highly open economy and appears trade sensitive to natural disasters and conflicts resulting in internal displacement of people.

Rules of origin

Final tariff and related rules of origin negotiations under the AfCFTA remain pending since the onset of the COVID-19 pandemic. The rules of origin negotiations are designed to promote intra-Africa trade by preventing trade deflection and transhipment, whereby goods made elsewhere are merely routed through a beneficiary country (of trade preferences) where no or insufficient local value-adding activities take place. Carefully crafted rules of origin are particularly important for states with overlapping REC memberships and with agreements with third countries. These rules of origin may be most effective in the context of industrial policies and plans alongside a sufficiently equipped customs administration and private sector.

Deepening regional production integration is line with World Bank findings that broken value chain links among producers, traders and consumers can arise with violence and conflict and that these links have an underlying social relationship that would need to be re-established over time. A disruption in value chain links can trigger a trade decline of as much as 25–40 per cent within a year of a civil war. The World Bank recommends investment in value chains and targeted trade facilitation response, including through regional integration, to recover, while noting that local context should guide the sequencing of remedial interventions (World Bank, 2015). The Organisation for Economic Co-operation and Development recommends facilitating value chain upgrades by African companies through proactive multilevel policies at the continental, regional, national and local levels, with a focus on business clusters, regional production networks and facilitating the growth of exporters in evolving markets. Multistakeholder dialogue on productive transformation is also encouraged among states and with development partners.

The United Nations Conference on Trade and Development's 2019 *Economic Development in Africa* report (UNCTAD, 2019c) places high priority on AfCFTA rules of origin to achieve the agreements goals. Rules of origin related to multiple agreements can make facilitating trade more difficult because of the related documentation, although some of the administration would be streamlined under the Tripartite Free Trade Agreement .

[24] The eight countries are Botswana, Burundi, Egypt, Kenya, Namibia, Rwanda, South Africa and Uganda.

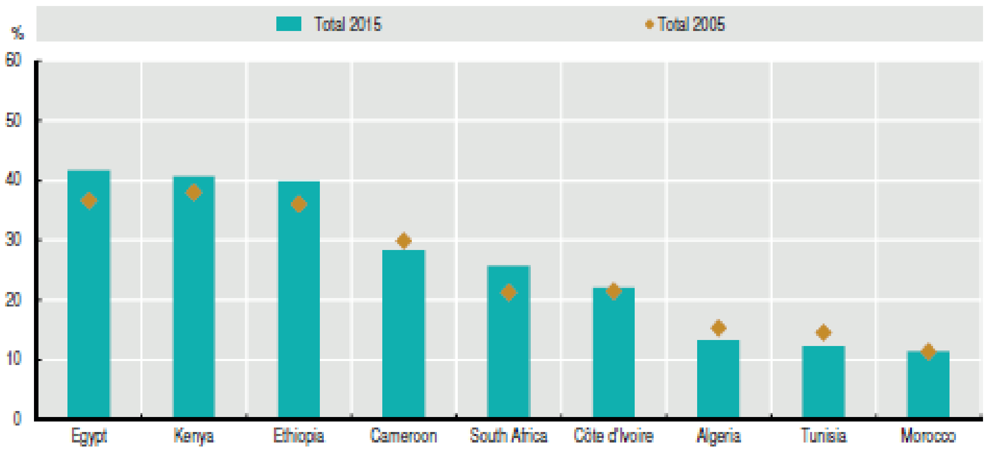
Trade in services
There is a strong link between the services and non-services sectors:

> "Strengthening intra-African trade could create regional value chains conducive to inclusive growth and increased per capita income''. Given the homogenous level of labour and income, the income-improving effect of intra-African migration could take place through the importance of labour as an adjustment factor of economic cycles, particularly in agriculture and services. For example, Burkinabe and Malians are often found in coffee and cocoa plantations in Ivory Coast, while the Beninese and Togolese regularly work in cassava plantations in Nigeria (Gnimassoun, 2018, p. 8)."

Traditional commercial patterns could serve as the starting point for meaningful commitments on trade in services that formalize and expand existing arrangements, based on a cluster approach to liberalization commitments across services, free movement of persons, goods and investment negotiations. The Organisation for Economic Co-operation and Development estimates of the proportion of services value added to manufacturing, mining and agricultural products using

Based on the trade in value added statistical approach, an innovative tool towards integration-focused trade negotiations, the services value added to manufacturing, mining and agricultural goods exports in 2015 ranges from just over 10 per cent in Morocco to just over 40 per cent in Egypt (figure 2.9).

Figure 2.9. Services value-added content in total export of manufacturing, mining and agricultural products in selected African countries, 2005 and 2015



Note: Total export of "manufacturing, mining and agricultural products" defined as ISIC codes D01 to 03 (agriculture) + codes D05 to 09 (mining) + codes D10 to 33 (manufacturing).
Source: Authors' calculations of preliminary results based on the underlying data sources of OECD Inter-Country Input Output System for the 2018 TiVA indicators.
StatLink https://doi.org/10.1787/888933966637

Note: Total export of manufacturing, mining and agricultural products, defined as International Standard Industrial Classification of All Economic Activities codes D10 to D33 (manufacturing), D05 to D09 (mining) and D01 to D03 (agriculture).
Source: OECD (2020).

Five RECs have advanced services sector integration through regional services agreements or policies: COMESA, EAC, ECCAS, ECOWAS and SADC. Intraregional integration could serve as a building block for continental services rules and liberalization. Negotiations on trade in services will become more important than ever in light of the COVID-19 pandemic. With respect to the implementation of the Protocol on Trade in Services, enabling remote provision of services would be favourable to repositioning traders in light of the pandemic. Apart from commercially relevant liberalization commitments on trade in services, the AfCFTA agenda for implementation could articulate regulatory cooperation and strategies for inclusive, technology-enabled business, as well as to facilitate cross-border trade and joint ventures. Information and communications technology–enabled products and services that help displaced people acquire skills and enjoy livelihood opportunities and employment present one potential focus area for Triple Nexus and Trade partners working in conjunction with RECs and members states impacted by conflict.

Temporary movement of service providers and free movement of people

The number of people accessing the benefits of the African Union Protocol on Free Movement of Persons in Africa could increase as conflict and disaster events push people to seek work and residence in other territories. The benefits under the protocol currently vary across signatory states, which are committed under Article 16: Right of Residence to granting the right of residence to people and their spouse and dependants, when their laws allow. State parties could implement favourable policies gradually over time because the protocol does not include a target date. Favourable policies in receiving states could help displaced people transition to stable economic activity and shift their categorization from refugees and asylum seekers to migrants that are more integrated into the receiving state's population. This could in turn prompt a permanent exodus from conflict- and disaster-affected countries without correcting the underlying factors in the origin country.

Another scenario is that people normally classified as lawfully admitted nationals of an AU member state become internally displaced at the time of the disaster or conflict. The Protocol on Free Movement prohibits mass expulsion of non-nationals under Article 20, protecting against actions aimed at national, racial, ethnic or religious groups. However, Article 21 permits expulsion, deportation and repatriation in accordance with the law in force in the host state. To improve the predictability of service providers moving across borders to ply their trade, procedures are being developed for cooperation under the AfCFTA to address the treatment of people who already fall under the Protocol on Free Movement of Persons in Africa by virtue of being legally admitted non-nationals with a view to setting reasonable standards for expelling non-nationals. Where necessary, standards could also be set for expelling nationals from their country of origin to stem the flow of refugees and asylum seekers. This could also be articulated in a specific procedural mechanism in the AfCFTA.

Box 2.2. Implications of the link between trade and poverty for women in conflict-affected areas

In much of the world—especially in Sub-Saharan Africa, where the challenge of ending extreme poverty is greatest—poverty is a strikingly rural phenomenon. For rural poor people, trade and internal market barriers in agriculture present real challenges to benefiting from trade opportunities. More than half of people in extreme poverty live in fragile or conflict-affected areas (often dominated by revenue from high-value minerals and other natural resources) and are less likely to benefit from trade opportunities, even though export diversification provides alternative livelihoods that can provide an essential pathway out of conflict. Poverty and informality often go hand in hand. Informal workers and the microenterprises that dominate the informal economy face particular challenges and are vulnerable to sudden economic shocks. Women face specific constraints, both within and outside the household, which can make it difficult to participate in and gain from trade opportunities.

Trade has played a key role in empowering women and assisting them in dealing with poverty. Increased trade openness over the past three decades has brought new job opportunities, and across developing countries, exporting firms generally employ a much higher share of women than non-exporters. Declines in trade barriers, together with new information and communication technologies, have reduced transaction costs and increased market access for many women—and in some cases have increased women's wages, although they still earn much less than men.

Despite these opportunities, challenges persist that limit women's abilities to maximize these openings. The challenges are exacerbated in conflict-affected environments. There is substantial research on the increased risks women face when trading across borders, for example. Governance deficits and non-transparent rules and regulations at borders mean that women traders are often subject to extortion and physical harassment, including rape, when crossing borders.

Source: World Bank and WTO (2015).

Phase II negotiations on investment

Innovative strategies to attract investment for trade-integrated growth could mitigate the diminishing international foreign direct investment to Africa, which the COVID-19 pandemic has exacerbated. Given the cross-cutting nature of investment negotiations, coherence across negotiating groups would optimize the contribution of negotiated outcomes for integration.

Investment facilitation is expected to be progressively harmonized across Africa. African states have an extensive network of 854 bilateral investment treaties and more than 400 double taxation treaties, most of them focused on investor and investment protection, with extra-Africa partners. Terminating or updating older investment treaties dating back to the 1960s may also be a critical action item for creating a modern investment framework, as well as incorporating pro-development provisions such as access to finance, environmental compliance, employment and labour practices (UNECA, 2016), knowledge transfer and dispute avoidance. However, some RECs do not have a legal tradition of concluding investment treaties. Morocco has the most investment treaties in effect, while no EAC or ECCAS, member does. The disparity in familiarity with investment treaty administration also suggests that institutional capacity varies across states and that strengthening the investment framework of AfCFTA parties could help create a seamless investment space, regulated by coherent provisions across multiple agreements.

The gaps in institutional capacity in conflict-affected states need to be addressed to allow for the investment-fuelled trade integrated growth envisioned in the AfCFTA.

Box 2.3. Trade integration and conflicts: An empirical analysis

Economists and social and political researchers have devoted vast efforts to better understand the causes of civil conflicts. The impact of international trade on conflicts has been investigated essentially through its effects on financial resources (for example, trade fosters tax revenue that is useful for peace or for war), on greed (for example, highly valuables resources on the international market generate predatory behaviours) and on opportunity cost (for example, by increasing revenues, trade also increases the opportunity cost of conflicts). All these mechanisms have a common ground: trade affects conflicts through its impact on income. Beyond these monetary effects, trade has many other consequences on institutions, on culture and on the environment that can play on internal conflicts. For instance, in countries characterized by ethnic favouritism, firms with enough productivity to export might not benefit from government support simply because they do not belong to a privileged group, which may generate grievance against the system. Trade can also be perceived as cultural homogenization, which may have different conflictual effects. Finally, trade can affect the environment (through deforestation or increased local pollution), which can be at the source of conflicts.

In brief, markets are places of socialization, where trade by fostering exchanges may play a role in building or destroying trust between communities (Porter and others, 2010). Candau, Gbandi and Guepie (2021) empirically examined this relationship with traditional econometrics tools (panel econometrics and instrument variable strategy[1]). Using night light pictures provided by satellites, they approximated income at the ethnic level to control for the income channel. Since the non-pecuniary effects of trade can differ depending on the geographic scale at which market's transactions are done, they also built three indicators of trade: a proxy of ethnic groups' international trade in agricultural and mineral products, an indicator of regional trade between countries that share at least one ethnic group and a measure of the internal or domestic trade of states. Ethnic groups' international trade was obtained by crossing three information points: African countries and ethnic group boundaries, geo-localized data on agricultural and mineral goods and trade flows. They matched the geographic boundary of ethnic groups with geographic data on agricultural and mineral goods. Then for each product, they constructed ethnic groups' production shares in their homeland. Using those shares to weight country exports yielded a proxy of ethnic groups' international trade. Regional trade was the sum of bilateral exports of countries that share at least one ethnic group. The internal or domestic trade of state was approximated by the sum of domestic transactions and domestic final demand for domestic goods.

The study found that both domestic and international trade integration induces peaceful effects, while regional trade integration (between neighbouring countries where ethnic groups have been separated by a border) are correlated with civil conflicts.

The analysis is pushed even further by proposing an original two-step approach based on the fact that some ethnic groups have been partitioned by arbitrary borders, whereas other ethnic groups have not. In the first step of estimation, the authors predict the country-year characteristics that explain the probability of an ethnic group escalating into a conflict. Differences in terms of wars inside countries are inferred from ethnic groups that have been partitioned. If a split ethnic group enters into a conflict in one country whereas its "identical twin" remains peaceful in the other country, one could conclude that there is something specific to the countries that explains these situations and that could be captured by country-year fixed effects. In the second step of estimation, the predicted country-year characteristics that explain conflicts are regressed on trade.[2] This analysis resolves many econometrics issues and reveals that only international trade can reduce conflicts, as regional trade at a small spatial scale (between countries that share an ethnicity) and local trade are no longer significant.

This last assertion has implications for the African Continental Free Trade Area (AfCFTA), which goes beyond all the existing and often fragmented regional trade agreements in Africa. By boosting trade at the continent level, the AfCFTA can therefore be expected to serve as a tool for promoting peace.

Source: Candau, Gbandi and Guepie (2021).

Note
1. Instrumental variable regression is used in econometrics to identify robust causal relationships between independent and dependent variables (here to solve reverse causality between trade, income and conflict variables).
2. This strategy reduces the bias from omitted variables without introducing aggregate data (country-level variables) and micro-observations (ethnic groups) into a single equation, which provides biased coefficients (Moulton, 1990). In this two-stage approach, only ethnic-level data are used in the first stage, and only national-level variables are considered in the second.

Section 3. Systems and structures to ensure the Triple Nexus

The extent to which the Triple Nexus supports trade and vice-versa will depend largely on partners', agencies' and international donors' willingness to embrace the New Way of Working as the new normal. Trade enhances resilience at the national, regional and global scales, and the incentives to integrate trade into the Triple Nexus are compelling, with some partners framing their support in the context of stability and peace on and for Africa. For example, the United Kingdom recently signalled a willingness to direct resources for Sub-Saharan Africa to supporting the Triple Nexus agenda (table 3.1). It also committed to being part of an international response to instability on the continent that is not overly focused on conflict management, nor overly securitized, but that addresses the underlying causes of conflict, including climate change and economic inequalities (House of Lords Select Committee on International Relations and Defence, 2020).

Table 3.1. Top recipients of UK official development assistance to Africa, 2020–2021

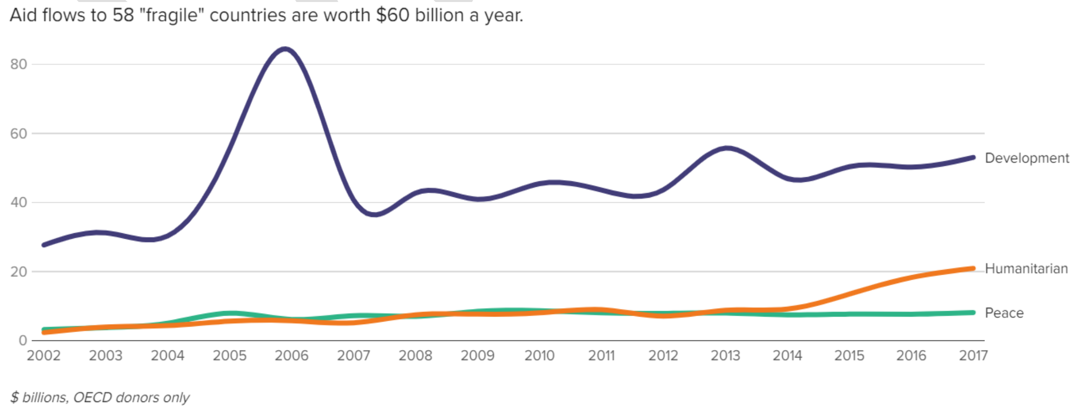
Country	Project budget (£)	Top sector	Share of UK official development assistance to the country allocated to top sector (%)
Nigeria	316,546,954	Health	34.9
Ethiopia	196,037,503	Disaster relief	31.2
Somalia	175,495,631	Disaster relief	32.0
Sierra Leone	167,168,751	Health	59.3
United Republic of Tanzania	164,040,684	Health	51.6
South Sudan	157,951124	Disaster relief	52.6

Source: Author's calculations and House of Lords Select Committee on International Relations and Defence (2020).

Of the European Union's €900 million humanitarian budget for 2020, €400 million was earmarked for Africa and will support long-term displaced people and refugees in the Sahel, the Lake Chad Basin, the Central African Republic, the Democratic Republic of the Congo and South Sudan (European Commission, 2020c).

By contrast, the Triple Nexus funding opportunity has been identified as $60 billion a year, based on aid flows to 58 fragile countries, most in Africa and Asia (figure 3.1).

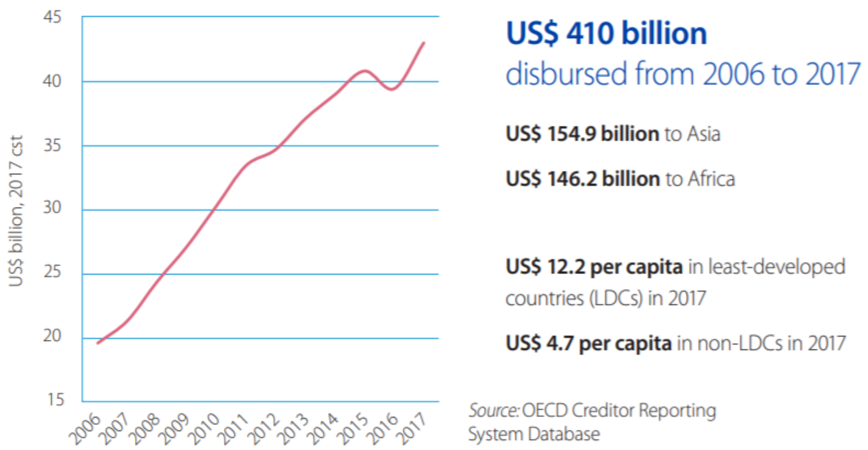
Figure 3.1. Triple Nexus funding opportunity, 2002–2017



Source: OECD (2018).

Developing a trade-integrated Triple Nexus governance model that satisfies the motivation of all actors in the humanitarian, development and peace policy space is likely to be a negotiated process. However, the 2030 Agenda for Sustainable Development provides some common starting principles for addressing the multiple levels of exclusion that displaced people, especially women and girls, face. Useful albeit external mechanisms, such as Aid for Trade (figure 3.2), present windows for specific capacity-building support for eligible states. But as the next section outlines, homegrown solutions that allow for scalability and agility in responding to the trade fall-out from conflicts and disasters may also offer the support best matched to Africa's needs at specific times.

Figure 3.2. Aid for Trade disbursements, 2006–2017



Source: Organisation for Economic Co-operation and Development Creditor Reporting System database.

Meeting the responses to an African challenge: Solutions from the African Union and the United Nations

The African Union Development Framework

The 2030 Agenda is a global framework for achieving sustainable development in its three dimensions—economic, social and environmental—in a balanced and integrated manner, with a vision of leaving no one behind. In the context of the comparative advantages, mandates and integrated nature of the 2030 Agenda and Agenda 2063, the African Union and the United Nations have sought to strengthen their partnership for cooperation to implement activities and programmes for inclusive, broad-based and sustainable development in Africa (UNECA, 2019). Both organizations are reforming to promote efficiency and effectiveness and to be fit for purpose to implement the two agendas.

The Triple Nexus, trade and the regional integration agenda

Achieving the goals of the 2030 Agenda and Agenda 2063 requires a continental approach supported by implementing and delivering shared public goods such as energy and transport infrastructure. Regional integration and intra-Africa trade remain top development priorities, as reflected in Agenda 2063 and its First Ten-Year Implementation Plan. Collaboration between the African Union and the United Nations in these areas is a strategic imperative that will help:

- Strengthen the continental approach to generating information and sharing knowledge among member states and relevant pan-African institutions.
- Boost regional integration and intra-Africa trade and fast track the African Continental Free Trade Area (AfCFTA). Support will be provided for developing action plans to boost regional integration and trade and for fostering dialogue among members.

Nexus of humanitarian work, development, and peace and security

The links among humanitarian work, development, and peace and security are critical to enhancing resilience and reducing risk and vulnerability, especially among young people and women, and serve as a first step to leaving no one behind. Stronger collaboration and coordination within and between development and humanitarian programming are therefore needed to ensure coherence and complementarity. This can be achieved by adopting continental strategies to improve preparedness, response, prevention and mobilization of global support for crises. The African Union Development Framework will help strengthen the links between political governance and respect for human rights, peace and security, resilience and development by building on joint programmes and activities under the Joint United Nations–African Union Framework for an Enhanced Partnership in Peace and Security.

The interventions underscored in the joint framework cover four thematic areas: preventing and mediating conflicts and sustaining peace, responding to conflict, addressing the root causes of conflict and conducting continuous partnership review and enhancement. These interventions have a direct impact on realizing the 2030 Agenda and Agenda 2063. To facilitate their implementation, the African Union and the United Nations have committed to adopting measures that promote the predictability, sustainability and flexibility of their funding.

Joint United Nations–African Union Peace and Security Framework

A report co-written by the Institute for Security Studies examined the evolution of the strategic partnership between the United Nations and the African Union, focusing on their approach to preventing conflict and managing crises (Institute for Security Studies, 2020). It also assessed this partnership at the member-state level in the UN Security Council and at the operational level between various UN and AU entities, as well as across several thematic issues, including the African Union's Silencing the Guns initiative; mediation; women, peace and security; electoral support; peacebuilding and post-conflict reconstruction and development; and youth, peace and security.

The partnership has strengthened in recent years, particularly in preventing prevention and managing crises. From institutionalizing more meaningful interaction between the UN Security Council and the AU Peace and Security Council to improving operational coordination between the UN Secretariat and the AU Commission, key opportunities and entry points for more robust cooperation have been identified. Despite these opportunities, the report offers several suggestions on how the UN and AU could proactively address persistent and emergent political and institutional challenges to sustain momentum:

- *Strengthen council-to-council engagement.* By engaging with each other, the UN Security Council and the African Union Peace and Security Council can increase their understanding of member states' positions, share analysis and consider potential joint responses to crises.
- *Work towards a collective approach to preventing conflict and managing crises.* The United Nations and the African Union can build on a range of existing avenues for collaboration on preventing conflict and managing crises.
- *Create a dedicated team in the AU Peace and Security Department to support the partnership.* A more institutionalized mechanism in the AU Peace and Security Department for coordinating with the United Nations could support more sustained and regular interaction between the AU Commission and its UN counterparts.
- *Better align work on peacebuilding and post-conflict reconstruction and development.* Given UN investment in peacebuilding and AU investment in post-conflict reconstruction and development, both organizations should explore whether and how to learn from one another and expand collaboration in these areas.
- *Build momentum for the Silencing the Guns initiative.* Both organizations should sustain political and operational support for the African Union's Silencing the Guns initiative.
- *Expand diplomatic capacities to support the partnership in New York and Addis Ababa.* Recognizing that the partnership has grown in recent years, the United Nations, the African Union and their member states should invest more in their diplomatic capacities in New York and Addis Ababa.

Financing Africa's Triple Nexus and Trade work through existing continental structures

As the analysis throughout this report shows, violent conflicts and disaster incidents are likely to continue for the foreseeable future, despite the best efforts of ECA Member States and their various international partners.

The African Union has developed a high-level peace and security plan to address these conflicts and create the breathing room needed to boost inclusive growth and realize the goals of the AfCFTA.[25] The plan would see peacekeepers deploy to the continent's war zones, directed by the African Union rather than the United Nations, to allow for better responsiveness. The African Union has proposed using UN-assessed contributions to provide sustainable and predictable funding for AU peace support operations.

The UN Security Council and the AU Peace and Security Council have been unable to agree on how to implement the plan in a way that meets the political and operational priorities of both organizations. The plan has been unsuccessful for three reasons: lack of a clear agreement on how the proposed 25:75 cost-share split between the African Union and the United Nations would work in practice, concerns about whether AU missions funded though UN-assessed contributions would comply with international human rights law and meet UN financial transparency and accountability benchmarks, and differences around which institution should command peacekeeping forces.

The African Union has re-activated its Peace Fund (the mechanism through which it would finance its 25 per cent share of costs), which has an endowment of over $100 million. Although the fund is short of its $400 million annual target and its operational launch is on hold pending an agreement, the re-opening of this once dormant facility presents an interesting model for how AU member states and development partners could support Triple Nexus programmes. In this respect, if a compromise to the current impasse can be reached, the benefits would extend well beyond the peacekeeping and security brief.

What works in Triple Nexus and Trade engagement: Lessons from New Way of Working efforts in Africa

The aid system's ability to manage risks and rapidly respond to conflicts and disasters is hampered by the fact that the Triple Nexus aid architecture is strictly separated by mandates and rules originally designed to meet different kinds of needs. However, there are opportunities for immediate, medium-term and long-term peace and development outcomes.

According to Tronc, Grace and Nahikian (2019), the New Way of Working or the Triple Nexus means in practice activating a transformative commitment to go beyond humanitarian and development divides that focus on what results need to be achieved on the ground collectively. The emphasis is not on agency-specific, mandate-bound outputs but on a consolidated direct impact in changing people's lives and refocusing from a situation of humanitarian vulnerability in crisis settings. The central tenet is the commitment to formulate and achieve concrete, measurable, timebound, collective outcomes that reduce needs, vulnerability and risk as building blocks towards achieving the Sustainable Development Goals, particularly in long-running crisis situations.

Box 3.1. Delivering through partnerships: *Central African Republic returnees rebuild their lives*

While parts of the Central African Republic remain unstable because of the conflict that has lasted for more than five years, a recent peace agreement between the government and armed groups has brought security to other areas. The United Nations High Commissioner for Refugees (UNHCR) and partners are working closely with the government and asylum countries to organize and assist refugees who have made an informed choice to voluntarily return to the Central African Republic in doing so safely and in dignity.

Clavette Bodo is a female refugee returning from Congo who has used the voluntary return money she received to rebuild her destroyed house in Mongoumba. For people who choose to return, UNHCR and partners, including the United Nations Children's Fund, the United Nations Population Fund and the World Food Programme, provide relocation support that includes three months of food, a modest cash grant, yellow fever vaccines and sanitary kits

[25] See the African Union Peace and Security Council website at https://au.int/en/psc, the UN website on peace and security at https://www.un.org/en/sections/issues-depth/peace-and-security/ and the International Crisis Group website at https://www.crisisgroup.org/africa/286-price-peace-securing-un-financing-au-peace-operations.

for women. Altogether, 116,000 refugees from the Central African Republic have voluntarily returned home since 2016.

Source: UNHCR (2019b).

The UN model envisages a resident coordinator/humanitarian coordinator who facilitates joint problem statements and the identification, implementation and financing of collective outcomes, engages with national and local authorities and supports connectivity among all actors and capacities available in country to contribute to such outcomes. Planning on joint outcomes would require all partners to align their activities to the 2030 Agenda for Sustainable Development.

Complicated conflict- or disaster-affected settings present particular challenges for Triple Nexus partners, even without the added layer of trade-related mandates. For example, in Mali, Triple Nexus partners have noted the need for caution in assuming that breaking down bureaucratic silos can render distinct but compatible altruistic activities more effective. Instead, actors in each of the Triple Nexus domains (humanitarian, development and peace) should carefully consider how to achieve the ideals to which their work aspires. Without improving on each domain individually, interlinking them will have little utility for the parts on the ground that the Triple Nexus aims to serve (Tronc, Grace and Nahikian, 2019).

Work of development agencies supporting the New Way of Working

In addition to the UN agencies involved in developing and implementing Triple Nexus programmes across Africa, numerous bilateral governments, non-governmental agencies, international agencies and private bodies collaborate across the three domains of the Triple Nexus (Oxfam, 2019).

Box 3.2. Environmentally friendly, economically productive and user-friendly sanitation solutions for refugees

In 2019, the United Nations High Commissioner for Refugees and the Bill and Melinda Gates Foundation completed a four-year waste-to-value sanitation solutions project in Sub-Saharan Africa. The project explored sanitation technologies that can be used in difficult ground conditions and that capture the embodied energy or nutrients in human waste: transforming human waste into a commodity, such as fuel briquettes for cooking or a fertilizer for agro-forestry products.

In Kenya, the project was implemented with the company Sanivation, which provides container-based toilet systems and processes waste into a solid fuel product. The system ensures safely managed sanitation for households and reduces the land area required for sanitation facilities. The product created is a more economical, efficient and environmentally friendly alternative to conventional charcoal, which refugees use as fuel for cooking. In addition, the project generated livelihood opportunities, with more than 25 refugees and 8 members of the host community gaining employment.

Source: UNHCR (2019c).

The work of two lead organizations, the Organisation for Economic Co-operation and Development (OECD) and the World Bank is set out below.

Organisation for Economic Co-operation and Development

The nexus is a priority for the OECD's Development Assistance Committee (DAC). In February 2019, the OECD adopted a related recommendation calling for members to coordinate better across the nexus, including by:

- Resourcing leadership appropriately (including local and national authorities and legitimate non-state actors) and using political engagement as needed.
- Prioritizing prevention, investing in development and ensuring immediate humanitarian needs are met.
- Putting people at the centre.
- Strengthening national and local capacities.
- Providing better financing through predictable, flexible, multi-year financing.

World Bank

The New Way of Working was set up in part to better facilitate access to World Bank financing in protracted crises. The World Bank recognizes that it will not achieve its goals of ending extreme poverty and promoting shared prosperity without working directly in fragile and conflict-affected contexts. Its joint report with the UN, *Pathways for Peace*, lays out its view of the importance of increased investment in peace, and both organizations are piloting the approach in Cameroon, the Central African Republic, Guinea-Bissau, Somalia and Sudan (World Bank and United Nations, 2018).

Key elements of the World Bank's new framework around the Triple Nexus in Africa include (Oxfam, 2019):

- More money available to national governments and the private sector in fragile and conflict-affected states.
- A $2 billion fund dedicated to countries hosting refugees, for host and refugee populations.
- Increased funding for rapid response to natural hazards, economic crises and health emergencies.
- A new Global Risk Financing Facility to support governments to plan better for disasters.
- A Global Concessional Financing Facility that fills the funding gap for middle-income countries such as Jordan and Lebanon that host large numbers of refugees.
- The Famine Early Action Mechanism, which will provide funding to prevent countries from descending into famine.

Section 4. Conclusion and policy recommendations

The relationship between trade flows and peace and stability depends the interplay of multiple variables that connect local, national, regional and global dynamics. In the case of African states, peace and stability enable stronger trade flows generally and for intra-Africa trade. Displacement due to conflict or disaster disrupts trade. The underlying factors contributing to conflict, such as those going beyond political terms, may also trigger suspension of preferential trade terms with major trading partners. The trade shock of displacement due to disaster or conflict, or a combination of both, is influenced by the ratio of trade to gross domestic product (GDP), the size of the economy and fragility.

The Tripartite Free Trade Area is an important stepping-stone towards integration and towards effective regional integration and market access under the African Continental Free Trade Agreement, given the coverage of more than half of African states in the participating regional economic communities (the Common Market for Eastern and Southern Africa, the East African Community and the Southern African Development Community) and their active role in intra-Africa trade. Several member states, including Libya and Sudan, lack the negotiation and implementation experience with trade and investment agreements and are engaged in multilateral negotiations outside the framework of regional economic communities.

Given this context, this report offers four broad policy recommendations on how trade reforms can best support the Triple Nexus in Africa ongoing efforts by New Way of Working partners to boost intra-Africa trade:

- An institutional monitoring mechanism for individual African state participation in extraregional negotiations would support participation in World Trade Organization accession negotiations and maximize coherence in ambition across negotiations. This could be supported (as needed) by unearmarked funding from bilateral and multilateral development partners as part of the continent's Triple Nexus and Trade policy exchanges. One such window could be the European Union's support for African, Caribbean and Pacific countries.
- Well-designed trade and investment rules supported by commercially relevant liberalization commitments could support production integration in Africa and value chain links by strengthening supply capacity and consistency in conflict- and disaster-affected states. The trade rules themselves would not create stability but would create an incentive to strengthen existing trade and test new markets.
- A concurrent reversal of radicalization of people and groups and monitoring mechanisms for progress would support Triple Nexus and Trade partners' humanitarian and peace and security objectives.
- A programme of targeted support to the least developed countries to reduce overall vulnerability and exposure to conflict and disasters could mitigate trade liberalization effects.

Articulating and developing a framework to operationalize the Triple Nexus and Trade agenda need to be approached from a high-level assessment of the issues driving humanitarian work and peace and security in Africa to determine how these factors affect trade in conflict- and disaster-affected states. Using the displacement of people as a proxy for the Triple Nexus has provided an idea of the scale of the challenge and has pointed to potential approaches for advancing trade. The detailed case studies in appendix 1 provide further details.

Finally, below is a recap of the main factors observed in this report's review of the selected states:

- *Level of fragility.* The Fragile States Index is a useful conflict assessment tool that accounts for a range of complexities. Generally, the longer the conflict, the more fragile the state may become and the more vulnerable to a shock in trade. However, the intensity of the conflict also matters because security of trade centres, a mitigating factor, can be eroded.

- *Trade openness.* Trade openness (the trade-to-GDP ratio) and international trade dependence on exports appear to be factors in trade disruption due to new displacements. However, this may vary based on the products being traded.
- *Internally displaced persons relative to population size.* The number of internally displaced persons seems to be a circumstantial factor and may have a cumulative effect. The extent of displacement relative to population size may factor into the economic and trade impacts. But a country's capacity to absorb large segments of displaced people without disrupting international trade flows varies based on its size, GDP and openness to trade.
- *The response of GDP and trade flows.* The onset of a disaster or conflict tends to reduce trade as a percentage of GDP through reduced imports, exports or both (see appendix 1 for details). The findings seem to affirm the concepts elaborated by Cali (2015), particularly the opportunity cost of violence, the related internal displacement of people and the duration of conflict. The onset of a disaster or conflict and related displacement were typically associated with lower growth rates or a decline in GDP or trade. Further analysis could estimate what other trade might have actually occurred.
- *Income (as measured by GDP).* While a country's overall income, as measured by GDP, impacts its resilience to conflict and conflict-related internally displaced persons, there is a generally upward trend in GDP in most states reviewed, regardless of conflict or disaster displacement and regardless of whether trade declines steadily for a few years or intermittently over a few years.
- *Cumulative effect of displaced people over time.* The cumulative effect of displacement on international trade over several years has varied from minimal in Cameroon to substantial in the Central African Republic. The cumulative effect of displaced people over time is relevant but of varied significance depending on the country. Annex 4 shows that since 2011, there has been almost yearly conflict in Cameroon, the Democratic Republic of the Congo, Egypt, Libya, Mali, Mozambique, South Sudan and Sudan, with a one- or two-year break in some cases.
- *Changes in investment flows into productive sectors.* Though not directly addressed here, changes in investment flows may be affected by conflict- and disaster-related crises and related internal displacement. External conditions leading to declining investment in productive and exporting sectors may also be concurrent and unrelated to local situations. As a result, case-by-case analysis is needed to establish a relationship among internal displacement push factors, internal displacement and trade.

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Annex 1. Definitions of displacement

According to the International Organization for Migration (IOM), *forced migration* is "a migratory movement which, although the drivers can be diverse, involves force, compulsion, or coercion." The definition includes a note that, "While not an international legal concept, this term has been used to describe the movements of refugees, displaced persons (including those displaced by disasters or development projects), and, in some instances, victims of trafficking. At the international level, the use of this term is debated because of the widespread recognition that a continuum of agency exists rather than a voluntary/forced dichotomy and that it might undermine the existing legal international protection regime."

According to the 1951 United Nations Convention Relating to the Status of Refugees and its 1967 Protocol *refugees* are people who flee their country because of a "well-founded fear" of persecution due to reasons of race, religion, nationality, membership of a particular social group or political opinion and who are outside of their country of nationality or permanent residence and are unable or unwilling to return to it because of this fear. The United Nations High Commissioner for Refugees (UNHCR) includes as refugees "individuals recognized under the 1951 Convention relating to the Status of Refugees, its 1967 Protocol, the 1969 Organization of African Unity (OAU) Convention Governing the Specific Aspects of Refugee Problems in Africa, those recognized in accordance with the UNHCR Statute, individuals granted complementary forms of protection, and those enjoying temporary protection. The refugee population also includes people in refugee-like situations."

People in a *refugee-like situation* includes "groups of persons who are outside their country or territory of origin and who face protection risks similar to those of refugees, but for whom refugee status has, for practical or other reasons, not been ascertained."

According to UNHCR, *asylum-seekers* are "individuals who have sought international protection and whose claims for refugee status have not yet been determined."

Internally displaced persons are "persons or groups of persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of or in order to avoid the effects of armed conflict, situations of generalized violence, violations of human rights or natural or human-made disasters, and who have not crossed an internationally recognized State border."

Mixed movement (also called *mixed migration* or *mixed flow*) is "a movement in which a number of people are travelling together, generally in an irregular manner, using the same routes and means of transport, but for different reasons. People travelling as part of mixed movements have varying needs and profiles and may include asylum seekers, refugees, trafficked persons, unaccompanied/separated children, and migrants in an irregular situation."

Disaster-induced migration is the displacement of people as a result of "a serious disruption of the functioning of a community or a society involving widespread human, material, economic or environmental losses or impacts, which exceeds the ability of the affected community or society to cope using its own resources."

Resettlement, according to IOM, is the "transfer of refugees from the country in which they have sought protection to another State that has agreed to admit them—as refugees—with permanent residence status." Resettlement programmes are carried out by both IOM and UNHCR.

Source: Migration Data Portal (https://migrationdataportal.org/themes/forced-migration-or-displacement#definitions, accessed 8 July 2020).

Box AN1.1 The Kampala Convention: A legislative framework to protect internally displaced persons in Africa

In a breakthrough for the protection of internally displaced persons in Africa, the African Union Convention on the Protection of and Assistance to Internally Displaced Persons in Africa (known as the Kampala Convention) became effective in 2012. With new and protracted displacement in Africa constituting an estimated 43 per cent of global conflict-related internal displacement at the end of 2019, there is an evident and critical need for national legislation, policies and measures to implement the Kampala Convention. In the past decade, 30 members have become party to the Kampala Convention, and 7 have adopted relevant implementing legislation and policies. Along with its partners, the United Nations High Commissioner for Refugees (UNHCR) is promoting further ratifications and helping governments in Africa domesticate the convention and those outside Africa develop laws and policies on internal displacement. Since the development of the Guiding Principles on Internal Displacement in 1998, more than 88 national laws and policies on internal displacement have been adopted, according to a global database maintained by UNHCR as part of the Global Protection Cluster.

Source: UNHCR (2019a).

Annex 2. Overview of new displacements sparked by conflict, violence and disasters in the first half of 2020

Democratic Republic of the Congo

Internally displaced persons: Disasters: 349,000; Conflict and violence: 1.4 million

The humanitarian situation in the Democratic Republic of the Congo has deteriorated considerably since the start of 2020. Conflict and violence triggered almost as many new displacements between January and June as the 1.7 million reported for the whole of 2019. The eastern provinces of North and South Kivu, Ituri, Maniema and Tanganyika continue to be most affected, but recent developments in Ituri are of particular concern. The province accounted for 627,000 new displacements, nearly half the national total.

Conflict also escalated in North Kivu following the government's launch of military operations against the rebel Allied Democratic Forces in November 2019, leading to 436,000 new displacements.

Somalia

Internally displaced persons: Disasters: 514,000; Conflict and violence: 189,000

Violence escalated in Somalia in the first half of 2020, triggering roughly the same number of new displacements as were recorded for the whole of 2019. The largest event was in Gedo in the southern state of Jubaland, where the outbreak of a new conflict led to 56,000 displacements in February and March. A standoff between Somalia's president and Jubaland's leader over the control of the state and the organization of parliamentary and presidential elections was among the factors that sparked fighting between federal troops and Jubaland's armed forces.

Tensions between Mogadishu and several regions are jeopardizing the country's planned elections and distracting from efforts to fight Al-Shabaab. More than 110,000 new displacements were attributed to the Islamist group's violence. Somalia's electoral commission announced at the end of June that the elections would be postponed, further stoking political tensions.

Flooding associated with an above-average rainy season triggered 505,000 new displacements in April and May.

Burkina Faso

Internally displaced persons: Disasters: 349,000; Conflict and violence: 1.4 million

Escalating violence in Burkina Faso triggered a large increase in new displacements in the first six months of 2020, accounting for close to 80 per cent of the 513,000 new displacements in 2019.

The country has the highest number of new displacements in West Africa, the result of the activities of a number of armed groups that are expanding their geographic reach, particularly in the north and east. They include jihadists, bandits and self-defence movements formed in response to the growing insecurity. The ensuing humanitarian crisis has deepened quickly over the past 18 months.

Ethiopia

Internally displaced persons: Disasters: 301,000; Conflict and violence: 68,000

Estimates of conflict displacement in Ethiopia should be considered conservative because of access restrictions associated with the COVID-19 pandemic. Interethnic violence in Awsi zone and Zone 3 in the Afar region between the end of January and March accounted for more than half the total, as fighting between Afar and Somali Issa clans intensified. Violence also continued in Guji zone in Oromia in the form of military operations against non-state armed groups.

Protests and intercommunal violence triggered more than 8,400 new displacements in Oromia at the end of June and in early July. The unrest broke out after a famous Oromo musician was killed in Addis Ababa. Heavy flooding and landslides affected the Somali, Oromia, Afar, Dire Dawa and Southern Nations, Nationalities and People's regions in first half of 2020.

South Sudan

Internally displaced persons: Disasters: 23,000; Conflict and violence: 232,000

The number of new displacements triggered by conflict and violence in South Sudan rose sharply in the first half of 2020, amounting to almost 90 per cent of the 259,000 recorded for the whole of 2019. Around 46,000 were recorded in the central state of Jonglei, which has become the epicentre of intercommunal violence. The values are likely underestimates because attacks against humanitarians and general insecurity restricted access for data collection.

Mozambique

Internally displaced persons: Disasters: 3,700; Conflict and violence: 122,000

Displacement triggered by conflict increased sharply in northern Mozambique in the first half of 2020, and the humanitarian situation deteriorated. Data collection efforts were scaled up to match the magnitude of the crisis, and an emergency appeal was launched for Cabo Delgado, the province most affected in June. Islamist militants in Cabo Delgado stepped up the number and intensity of their attacks, and in March, they took control of larger towns for the first time when they seized Quissanga and Mocimboa da Praia.

More than 195 violent incidents were recorded in the first half of the year, and some of those forced to flee sought refuge in the neighbouring provinces of Nampula and Niassa. Within Cabo Delgado, the districts of Quissanga, Macomia and Ibo have the largest numbers of internally displaced persons, many staying with host families. Cabo Delgado has also had to cope with the aftermath of cyclone Kenneth, which hit northern Mozambique in April 2019. Almost 6,500 people still live in displacement sites, and more than 200,000 homes are still damaged over a year after the disaster.

Mali

Internally displaced persons: Conflict and violence: 113,000

Most of the new conflict and violence displacements recorded in Mali in the first half of 2020 were in the central and northern regions of the country, the result of armed attacks by jihadist groups, military operations against them and intercommunal clashes between self-defence militias. Most of the violence has its roots in disputes over access to land and other natural resources. Clashes between farmers and herders are also common and continue to trigger displacement.

These factors have combined with other social, economic and political issues to feed growing insecurity that has gradually spread southward. Social unrest increased in the first half of the year, and violent protests broke out in many cities across the country. Most took place in the capital, Bamako, culminating in Mali's second coup in 10 years in August.

Central African Republic

Internally displaced persons: Disasters: 2; Conflict and violence: 80,000

As in several countries in Sub-Saharan Africa, the number of new displacements triggered by conflict in the Central African Republic in the first half of 2020 was almost as high as the figure for the whole of 2019. The sharp increase is linked in part to a resurgence of conflict in the Ndélé area of Bamingui-Bangoran prefecture, in violation of a peace agreement signed in February 2019. Clashes between armed groups led to more than 20,000 displacements. Most humanitarian organizations suspended their activities in Ndélé temporarily after several incidents in which aid workers were targeted.

Cameroon

Internally displaced persons: Disasters: 0; Conflict and violence: 80,000

Conflict and violence continued across the Far North, Northwest and Southwest regions of Cameroon in the first half of 2020. The English-speaking Northwest and Southwest accounted for about 59,000 new displacements. Violence in the two regions has escalated sharply over the past four years, the result of tensions between English-speaking communities and the government over policies to enforce the use of French in schools and public institutions.

Education facilities continue to be targeted, massacres have been reported and attacks on villages and the destruction of homes forced more than 10,000 people to flee in February alone. There was also a wave of attacks on polling stations during parliamentary elections held on 9 February, and some people are thought to have fled in fear of further violence.

Boko Haram and other armed groups intensified their attacks in the Far North region, triggering about 21,000 new displacements.

Niger

Internally displaced persons: Conflict and violence: 59,000

The number of new conflict and violence displacements recorded in Niger in the first half of 2020 was higher than for the whole of 2019. The majority took place in the regions of Tahoua and Tillaberi, which border Mali and Burkina Faso, and Maradi, which borders Nigeria. This also represents a geographical shift from previous years, when most displacement took place in the southeastern region of Diffa in the Lake Chad Basin.

Attacks on civilians and the widespread presence of explosive devices forced people in Tahoua and Tillaberi to flee, and some did so pre-emptively. Jihadist groups continue to exploit intercommunal tensions, and the ensuing violence has become far deadlier, displacing at least as many people as their direct attacks. The nearly 35,000 new displacements recorded for the two regions is likely an underestimate. The most significant attack, which triggered more than 10,000 new displacements, occurred on 31 May and targeted a refugee hosting area in Intikane in Tahoua.

Nigeria

Internally displaced persons: Disasters: 8,800; Conflict and violence: 32,000

Movement restrictions put in place to limit the spread of COVID-19 mean that fewer assessments were conducted in Nigeria in the first half of 2020, which in turn makes the estimates of new displacements reported conservative. Around two-thirds of the total were recorded in the northeastern states of Borno and Adamawa, the result of violence against civilians that included attacks on displacement camps.

Long-standing conflict between Fulani pastoralists and Hausa farmers in the northwestern states of Katsina, Sokoto and Zamfara triggered about 7,900 new internal displacements. The violence also led tens of thousands of people to flee across the border into the Maradi region of Niger. About 23,000 such movements were recorded in April alone. Violence between farmers and pastoralists also increased in Nigeria's central regions, commonly known as the Middle Belt, but the lack of monitoring made it difficult to assess the number of new displacements triggered.

Flooding in Adamawa, Akwa Ibom, Benue, Borno, Delta, Lagos, Kano and Kebbi states triggered at least 8,800 new displacements.

Sudan

Internally displaced persons: Conflict and violence: 39,000

About 35,000 of the new conflict displacements recorded in Sudan in the first half of 2020 were triggered by increased violence in the Darfur region and South Kordofan, Kassala and Gezira states as peace talks were delayed. The rest were the result of border skirmishes between Ethiopia and Sudan.

The most significant event was a flareup of ethnic violence around Kadugli, the capital of South Kordofan in May. More than 20,000 displacements and substantial damage to public and private infrastructure were recorded. Many of the people affected were already living in a displacement camp and were forced to flee for a second time.

The UN Integrated Transition Assistance Mission in Sudan was approved in June 2020 to help the government conduct peace negotiations and to support a political transition. It is also intended to provide civilians a degree of protection as a follow-up to its predecessor, the UN-African Union Mission in Darfur (UNAMID). This is an important development given the increase in violence and displacement in Darfur, which has been attributed in part to UNAMID's withdrawal.

Source: IDMC (2020b).

Annex 3. Relationship between rank on the Fragile States Index and conflict: An assessment of regional integration

Conflicts in Africa are taking place across the range of regional integration levels, as measured by the 2019 African Regional Integration Index, and Fragile States Index scores have worsened considerably over the past 14 years for which data are available. There is a positive relationship between a score below 0.4 on the African Regional Integration Index and a score above 80 on the Fragile States Index (which has a maximum score of 120). However, this does apply to Benin, Cape Verde, Gabon, Lesotho, Namibia, São Tomé and Príncipe, Seychelles and Tunisia, which have scores below 80 on the Fragile States Index despite having scores below 0.4 on the African Regional Integration Index (Table AN3.5). Several of these states including Lesotho and Namibia, are also active intra-Africa traders.

Mauritius, with a score of 37.2 on the Fragile States Index, is the least fragile of African states and ranks 153rd of 178 states. This is in contrast to Arab Maghreb Union member Libya, whose score increased by 26.7 points, from 68.5 in 2006 to 95.2 in 2020. This may be attributable to the instability in the country after the death of President Muammar Gaddafi and in tandem with the Arab Spring, and the country is yet to recover. The increase in Fragile States Index score from 2006 to 2020 for Libya compares with an increase of 16.9 for Mali and 21.4 for Mozambique, which points to these states' worsening ability to absorb the stress of new conflicts. Other countries that experienced greater fragility (an increase of at least 5 points on the Fragile States Index from 2006 to 2020) are South Africa (14.4), Eritrea (11.1), Senegal (8.5), Niger (8.3) and Somalia (5; table AN3.6).[26]

Table AN3.1. Profile of selected states on the African Regional Integration Index, 2019

	Overall score		Scores and Ranks by dimensions									
Country	Regional integration	Rank	Trade integration	Rank	Productive integration	Rank	Macro economic integration	Rank	Infrastructural integration	Rank	Free movement of people	Rank
Kenya	0.444	2	0.428	5	0.296	1	0.337	38	0.415	8	0.864	3
Egypt	0.422	6	0.414	21	0.263	10	0.632	3	0.585	2	0.062	46
Mozambique	0.380	14	0.411	22	0.239	14	0.320	43	0.141	36	0.944	5
Uganda	0.376	15	0.434	15	0.217	18	0.322	42	0.162	27	0.876	9
Burkina Faso	0.370	16	0.434	14	0.181	27	0.525	6	0.147	34	0.580	16
Mali	0.352	18	0.431	16	0.139	40	0.542	5	0.154	28	0.481	21
The Gambia	0.351	19	0.472	8	0.127	43	0.471	12	0.164	26	0.518	5
Chad	0.303	32	0.386	8	0.182	8	0.447	7	0.064	14	0.438	7
Algeria	0.282	43	0.226	49	0.195	23	0.464	13	0.384	9	0.037	49
Libya	0.280	44	0.321	36	0.159	34	0.325	41	0.480	7	0.006	53
Central African Rep.	0.273	45	0.282	46	0.173	30	0.417	28	0.079	47	0.432	8
Cameroon	0.268	46	0.255	47	0.252	11	0.456	19	0.245	17	0.043	48
D. Rep. of the Congo	0.241	48	0.299	42	0.121	45	0.292	46	0.112	43	0.407	31
Sudan	0.228	50	0.178	52	0.209	19	0.289	47	0.141	37	0.357	35
South Sudan	0.147	#N/A	0.290	#N/A	0.081	###	0.023	#N/A	0.009	#N/A	0.407	#N/A
Average	0.315		0.383		0.201		0.399		0.220		0.441	
Standard deviation	0.077		0.123		0.133		0.128		0.166		0.304	

Source: African Union, African Development Bank and UNECA (2020).

The relative ranks of states on the Fragile States Index and in the trade integration dimension of the African Regional Integration Index are similar (see tables AN3.1 and AN3.2). This may indicate the correlation between trade integration and state ability to manage or absorb the onset of conflict, which the Fragile States Index measures. This may also suggest that trade integration is an isolated indicator related to a country's Fragile States Index score. However, this report does not examine the relationship of other dimensions of the African Regional Integration Index against the Fragile States Index scores.

[26] The 2020 scores on the Fragile States Index for these states were 70.1 for South Africa, 74.6 for Senegal, 110.9 for Somalia, 95.3 for Niger and 95.8 for Eritrea.

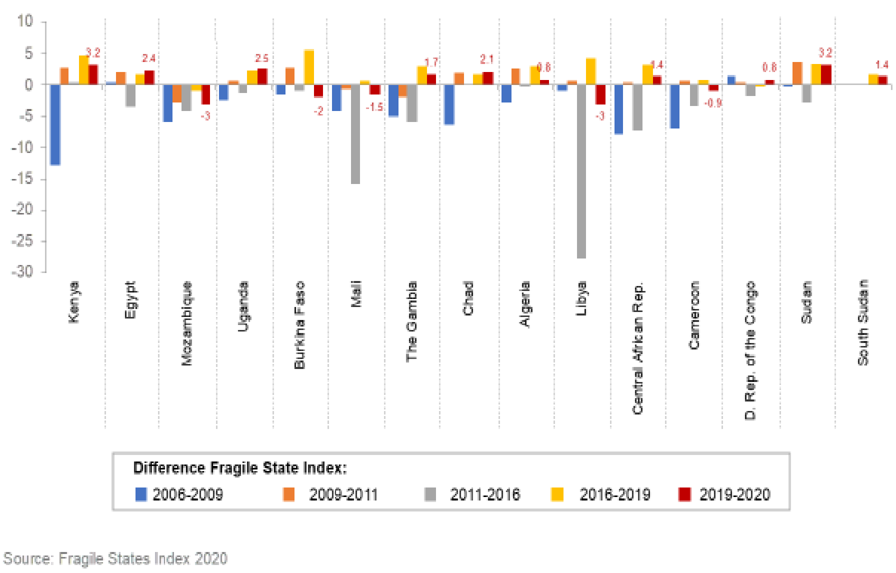
Table AN3.2. African Regional Integration Index scores, 2019, and Fragile States Index scores, 2006 and 2020, for selected countries

Country	Regional integration	Rank	Fragility Score (2006)	Fragility Score (2020)	Change in Fragility Score	Fragility Rank (2020)
Kenya	0.444	2	88.6	90.3	1.7	29th
Egypt	0.422	6	89.5	86	-3.5	35th
Mozambique	0.38	14	74.8	91.7	**16.9**	27th
Uganda	0.376	15	94.5	92.8	-1.7	24th
Burkina Faso	0.37	16	89.7	85.9	-3.8	37th
Mali	0.352	18	74.6	96	**21.4**	16th
The Gambia	0.351	19	74	82.2	**8.2**	51st
Chad	0.303	32	105.9	106.4	0.5	7th
Algeria	0.282	43	77.8	74.6	-3.2	71st
Libya	0.28	44	68.5	95.2	**26.7**	20th
Central African Rep.	0.273	45	97.5	107.5	**10**	6th
Cameroon	0.268	46	88.4	97.9	**9.5**	11th
D. Rep. of the Congo	0.241	48	110.1	109.4	-0.7	5th
Sudan	0.228	50	112	104.8	-7.2	8th
South Sudan	0.147	#N/A	110.6	110.8	0.2	3rd
Average						
Standard deviation						

Source: African Union, African Development Bank and UNECA (2020); Fund for Peace (2020).

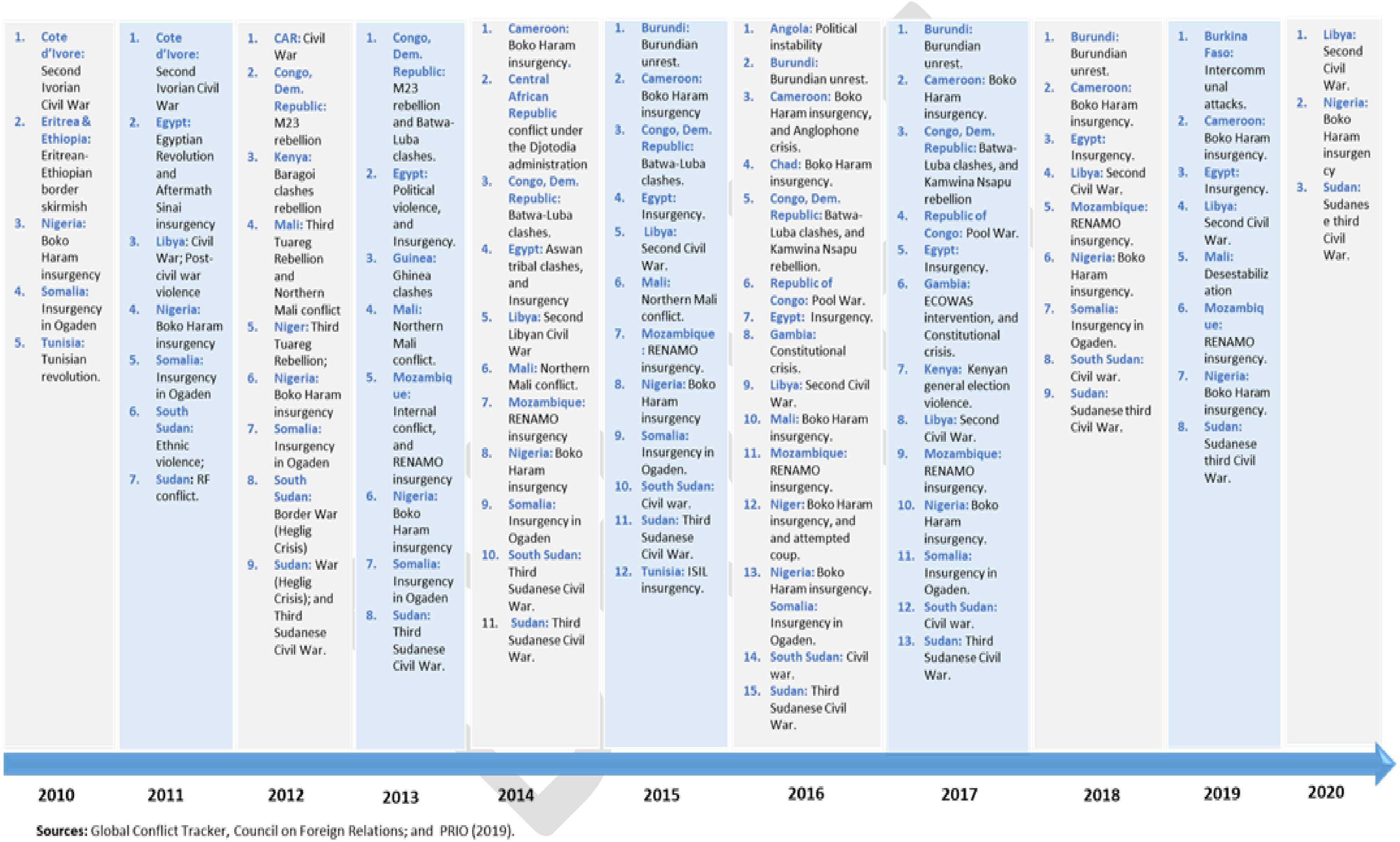
A large increase in a country's Fragile States Index score may be a cause for concern in the long run because recovery appears slow, with many countries unable to re-gain their initial agility as fragility worsens. From 2019 to 2020, Fragile States Index scores increased for most countries, though those countries have not become agile or stable (figure AN3.12). Sudan and Algeria are the only two countries whose Fragile States Index scores improved. However, Sudan is still extremely fragile, with a score of 104.8 in 2020. Algeria is more agile, with a score of 74.6, down from 77. It is unclear whether states with low scores are better able to recover from high fragility; this may require further investigation. South Sudan did not get a score until 2014. Its fragility has decreased, but it remains extremely fragile.

Figure AN3.1. Changes in Fragile States Index score of selected African states, 2006–2020



Source: Fund for Peace (2020).

Annex 4. Chronology of major conflicts in Africa, 2010–2020



Source: Council on Foreign Relations Global Conflict Tracker (https://www.cfr.org/global-conflict-tracker#) and Strand and others (2020).

Annex 5. Current humanitarian events as of 2019

Region	Description	Reason for displacement
Sub-Saharan Africa	Sub-Saharan Africa was once again the region most affected by conflict displacement in 2019. Armed conflict, communal violence and jihadist attacks continued in several countries, some of which are struggling to deal with protracted crises. Historical data shows that internal displacement associated with conflict and violence has increased in Sub-Saharan Africa over the past decade. **Conflict related displacement** There were 4.6 million new displacements recorded in 2019, accounting for nearly 54 per cent of the global total. Jihadist groups operating in the Sahel region escalated their attacks and triggered mass displacement in Burkina Faso, Mali and Niger. Boko Haram's insurgency, now in its 10th year, and operations against the group continued to trigger substantial new displacement and to prolong its duration across the Lake Chad Basin, a region that also has to contend with environmental degradation and desertification. Many countries in Central Africa continued to suffer the effects of communal conflicts, while the interlinked triggers of conflict and climate change in East Africa forced people in Ethiopia, Somalia and South Sudan to flee their homes. Countries in East Africa and the Horn of Africa experienced one of the wettest rainy seasons in 40 years. Flooding along the White Nile Basin forced many people already displaced by conflict to flee again. Mozambique bore the brunt of cyclones Idai and Kenneth, which triggered hundreds of thousands of displacements and destroyed homes, infrastructure and crops. Comoros, Madagascar, Malawi and Zimbabwe were also hard hit.	• Armed conflict • Environmental degradation and desertification • Flooding
Central Africa	The region's most affected country in 2019 was the Democratic Republic of the Congo, where ethnic tensions, local grievances and chronic poverty are the main drivers of internal displacement. Nearly 1.7 million new conflict displacements were reported during the year, compared with more than 1.8 million in 2018 and 2.2 million in 2017. The political situation in the Democratic Republic of the Congo remains tense, even though 2019 saw the first peaceful transition of power in the country's history. The new government inherited a series of challenges, not least the activities of more than 100 armed groups in the east and ongoing conflict in other areas. About 5.5 million people were living in internal displacement as a result of conflict and violence at the end of the year, and about 15.9 million were expected to need humanitarian assistance in 2020. The country also had to deal with its second largest Ebola outbreak, a measles outbreak and a cholera outbreak, which together killed thousands of people. Heavy rains and flooding affected 12 of the Democratic Republic of the Congo's 26 provinces between October and December. The country as a whole recorded 233,000 new disaster displacements, the most ever. The government of the Central African Republic signed a peace deal with 14 armed groups in early February after more than two years of	• Ethnic tensions • Local grievances • Severe poverty • Political instability • Flooding

Region	Description	Reason for displacement
	negotiations facilitated by the African Union. Implementation is progressing despite several setbacks and disagreements that were resolved with help from the international community, and the number of new conflict displacements fell from 510,000 in 2018 to 96,000 in 2019. The security situation remains fragile, however, and internally displaced persons' needs remain largely unmet. The Central African Republic also suffered its worst flooding in 20 years in 2019, and the capital Bangui was among the places hardest hit. About 102,000 new displacements were recorded across the country, and the floods caused extensive damage to infrastructure and livelihoods. More than 10,000 homes were destroyed, and wells and latrines overflowed. The security situation in anglophone areas of Cameroon has been deteriorating since 2017.	
West Africa	Long-running conflict and violence persisted across Nigeria in 2019. About 248,000 new conflict and violence displacements were recorded during the year, and nearly 2.6 million people were thought to be living in internal displacement as of 31 December. The government established the Federal Ministry of Humanitarian Affairs, Disaster Management and Social Development in August, an important step in improving the coordination and mobilization of resources to prevent and respond to humanitarian and displacement crises. Boko Haram carried out a series of attacks in the northeastern states of Adamawa, Borno and Yobe during the year, triggering more than 105,000 new displacements. More than 473,000 internally displaced persons were living in camps without adequate shelter across the three states as of October, and another 34,000 were living out in the open. Africa's most populous country, Nigeria is highly exposed to disasters, particularly floods. Adamawa and Borno states, which were already affected by conflict, bore the brunt of flooding in 2019 during an exceptionally long rainy season. Flooding in the Niger River Basin also destroyed almost 2,700 homes in Niger state in August and September. Disasters triggered about 157,000 new displacements across the country as whole and were thought to have left about 143,000 people living in internal displacement at the end of the year. The security situation in Burkina Faso, a relatively peaceful country in recent years, deteriorated sharply in 2019, triggering an unprecedented 513,000 new displacements. Jihadist militants, including al-Qaeda affiliates from neighbouring Mali, were quick to exploit the security vacuum left by the fall of former president Blaise Compaoré in 2014, and a homegrown group known as Ansaroul Islam emerged in late 2016. Violence in central Mali has been escalating since early 2018 and continued to do so in 2019. It has its roots in a long-standing crisis in the north, where Tuareg separatists and jihadist militants seized swathes of territory in 2012 following an attempted coup in Bamako. In Niger, the eastern region of Diffa remains highly unstable. Boko Haram and other nonstate armed groups carried out a series of attacks during the year, including one that triggered more than 18,000 new displacements in late March and early April. Extensive	• Conflict • Flooding • Fragile government • Drought

Region	Description	Reason for displacement
	flooding triggered 121,000 new displacements in 2019, mainly in the capital Niamey and Diffa state. Drought is also a major trigger of displacement, but robust data are hard to come by. It is also difficult to distinguish drought and conflict as triggers, and in many areas, they are interlinked.	
East Africa **and the Horn of Africa**	There was a large drop in the number of new displacements in Ethiopia, from 2.9 million in 2018 to more than 1 million in 2019. The decrease is the result of a national steering committee led by the Ministry of Peace approving a three-phase plan in March to return all internally displaced persons to their places of origin in the following months. Implementation began almost immediately, and 1.2 million internally displaced persons were thought to have returned by the end of the year. Conflict and violence in Somalia triggered 188,000 new displacements in 2019—mainly in the southeast, where the al-Shabaab militia, which is affiliated to al-Qaeda, has a stronghold. Internal displacement is fuelling Somalia's rapid urbanization, as people who struggle to survive and make a living in rural areas seek opportunities in urban areas. Unprecedented flooding in East Africa, particularly in Ethiopia, Kenya and Somalia, not only triggered widespread displacement but also established conditions for a locust infestation that caused damage across the region. This further eroded people's livelihoods and hurt food security. The most affected country was South Sudan, where the floods were described as the worst in the country's history. They triggered 98 per cent of the 294,000 new disaster displacements recorded in 2019 and about 246,000 people living in displacement at the end of the year. The tense political situation in Sudan aggravated ethnic and intercommunal disputes over scarce resources during the year. Clashes in East and Central Darfur and White Nile state triggered nearly 10,000 new displacements in May and June. Disasters triggered 130,000 new displacements in Uganda in 2019, mainly in Bukedi, Sironko and Teso regions, and 74,000 in Kenya. The latter figure includes 10,000 recorded in West Pokot county, which was hit by landslides in November. The two countries also recorded 2,300 and 1,800 displacements respectively, triggered by localized intercommunal violence. The small landlocked countries of Burundi and Rwanda experienced considerable disaster displacement. Storms, heavy rains and landslides triggered 25,000 new displacements in Burundi, which peaked in November and December. About 6,000 people pre-emptively evacuated from high-risk areas of Rwanda in December to escape the onset of heavy rains.	• Flooding • Food insecurity • Terrorist attacks

Region	Description	Reason for displacement
Southern Africa	Mozambique bore the brunt of two unusually powerful storms in 2019 that triggered hundreds of thousands of new displacements and left about 132,000 people still displaced at the end of the year. The impacts of cyclones Idai and Kenneth were also felt in Comoros, Malawi and Zimbabwe. Kenneth hit Comoros hard, destroying about 4,600 homes and affecting people who were already poor and vulnerable, mostly on the island of Grand Comore. About 19,000 disaster displacements were recorded during the year. Idai struck Malawi before strengthening into a tropical cyclone, but it still triggered about 110,000 new displacements in the Southern region. After wreaking chaos in Mozambique, the storm also triggered 51,000 new displacements in Zimbabwe.	• Flooding • Tropical cyclones
The Sahel	The Sahel region of Sub-Saharan Africa suffered a sharp increase in violence and mass displacement in 2019. Several jihadist groups become increasingly active in border areas between Burkina Faso, Mali and Niger, commonly known as the Liptako Gourma region, carrying out attacks, stoking communal and ethnic violence and raising concerns about a major and escalating security challenge with regional implications. Boko Haram’s insurgency and military offensives against the group have also continued to force people to flee their homes in the Lake Chad Basin. About 854,000 new internal displacements were recorded across the three countries in 2019. The security situation in Mali has been deteriorating since 2013. Islamist militants have regrouped in the desert north and expanded into the fertile centre of the country. Insecurity has also spread to eastern and southern regions of neighbouring Niger and Burkina Faso, where different armed groups are using similar methods to recruit and expand. The situation in Niger is of particular concern because the country sits at a dangerous crossroads of violence, surrounded by countries facing security crises. However, Burkina Faso faces the most alarming security situation. Violence spread from the northern regions to the eastern regions in 2019, triggering 513,000 new displacements, a 10-fold increase from 2018. Around 560,000 people were living in internal displacement at the end of the year. Communities have been generous in hosting internally displaced persons, but the country’s infrastructure is poor, the government has struggled to respond to internally displaced persons’ largely unmet needs and the international community has paid little attention to the crisis.	

Source: IDMC (2019).

Annex 6. Top five imports and exports of selected African states, 2019

Region or country	Imports	Exports
North Africa		
Algeria	HS 84 Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	HS 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral
	HS 87 Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	HS 31 Fertilizers
	HS 85 Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television	HS 28 Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals
	HS 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral	HS 25 Salt; sulphur; earths and stone; plastering materials, lime and cement
	HS 10 Cereals	HS 72 Iron and steel
Egypt	HS 27 - Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral	HS 27 - Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral
	HS 85 - Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television	HS 71 - Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad
	HS 84 - Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	HS 39 - Plastics and articles thereof
	HS 10 - Cereals	HS 85 - Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television
	HS 87 - Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	HS 08 Edible fruit and nuts; peel of citrus fruit or melons
Libya (2010)	HS 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral	HS 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral
	HS 87 Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	HS 71 Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad
	HS 84 Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	HS 72 Iron and steel
	HS 85 Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television	HS 74 Copper and articles thereof
	HS 39 Plastics and articles thereof	HS 29 Organic Chemicals
Great Lakes		
Democratic Republic of the Congo	HS 84 Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	HS 74 Copper and articles thereof
	HS 85 Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television	HS 81 Other base metals; cermets; articles thereof
	HS 30 Pharmaceutical products	HS 26 Ores, slag and ash

Region or country	Imports	Exports
	HS 87 Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	HS 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral
	HS 73 Articles of iron or steel	HS 71 Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad
Kenya	HS 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral	HS 09 Coffee, tea, maté and spices
	HS 84 Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	HS 06 Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage
	HS 85 Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television	HS 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral
	HS 87 Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	HS 62 Articles of apparel and clothing accessories, not knitted or crocheted
	HS 72 Iron and Steel	HS 07 Edible vegetables and certain roots and tubers
Central Africa		
Cameroon	HS 89 Ships, boats and floating structures	HS 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral
	HS 84 Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	HS 18 Cocoa and cocoa preparations
	HS 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral	HS 44 Wood and articles of wood; wood charcoal
	HS 85 Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television	HS 08 Edible fruit and nuts; peel of citrus fruit or melons
	HS 10 Cereals	HS 76 Aluminium and articles thereof
Central African Republic	HS 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral	HS 44 Wood and articles of wood; wood charcoal
	HS 84 Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	HS 71 Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad
	HS 30 Pharmaceutical products	HS 89 Ships, boats and floating structures
	HS 85 Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television	HS 18 Cocoa and cocoa preparations
	HS 87 Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	HS 52 Cotton
Sahel		
Chad	HS 85 Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television	HS 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral

Region or country	Imports	Exports
	HS 84 Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	HS 12 Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal
	HS 87 Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	HS 13 Lac; gums, resins and other vegetable saps and extracts
	HS 73 Articles of iron or steel	HS 52 Cotton
	HS 30 Pharmaceutical products	HS 85 Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television
The Gambia	HS 52 Cotton	HS 44 Wood and articles of wood; wood charcoal
	HS 10 Cereals	HS 08 Edible fruit and nuts; peel of citrus fruit or melons
	HS 17 Sugars and sugar confectionery	HS 15 Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal
	HS 87 Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	HS 03 Fish and crustaceans, molluscs and other aquatic invertebrates
	HS 84 Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	HS 72 Iron and steel
Mali	HS 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral	HS 71 Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad
	HS 87 Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	HS 52 Cotton
	HS 84 Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	HS 12 Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal
	HS 85 Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television	HS 44 Wood and articles of wood; wood charcoal
	HS 30 Pharmaceutical products	HS 23 Residues and waste from the food industries; prepared animal fodder
Horn of Africa		
Burkina Faso	HS 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral	HS 71 Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad
	HS 84 Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	HS 52 Cotton
	87 Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	HS 79 Zinc and articles thereof
	HS 85 Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television	HS 12 Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal
	HS 30 Pharmaceutical products	HS 08 Edible fruit and nuts; peel of citrus fruit or melons
South Sudan	HS 84 Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	HS 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral

Region or country	Imports	Exports
	HS 85 Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television	HS 44 Wood and articles of wood; wood charcoal
	HS 21 Miscellaneous edible preparations	HS 12 Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal
	HS 73 Articles of iron or steel	HS 99 Commodities not elsewhere specified
	HS 87 Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	HS 84 Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof
Sudan	HS 84 Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	HS 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral
	HS 10 Cereals	HS 12 Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal
	HS 17 Sugars and sugar confectionery	HS 01 Live animals
	HS 85 Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television	HS 52 Cotton
	HS 87 Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	HS 13 Lac; gums, resins and other vegetable saps and extracts
Uganda	HS 84 Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	HS 09 Coffee, tea, maté and spices
	HS 30 Pharmaceutical products	HS 03 Fish and crustaceans, molluscs and other aquatic invertebrates
	HS 87 Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	HS 04 Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere
	HS 85 Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television	HS 18 Cocoa and cocoa preparations
	HS 72 Iron and steel	HS 06 Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage