



United Nations
Economic Commission for Africa

**AU POLICY CONFERENCE ON THE NEXUS OF PEACE, SECURITY
AND DEVELOPMENT: THE PROMISE OF REGIONAL
INTEGRATION**

TANGIER, MOROCCO

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Opening keynote speech by Hanan Morsy
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United Nations Economic Commission for Africa



(SALUTATIONS)

Excellencies

Ladies and Gentlemen

First, let me congratulate the African Union for hosting this important Policy Conference under the theme ***Promoting the Peace, Security and Development Nexus: The Promise of Regional Integration*** and for inviting the United Nations Economic Commission for Africa (ECA) to be a partner in this endeavour.

The meeting could not have come at a more opportune time, as countries across the world re-evaluate the way their supply chains are organised following the disruptions caused by the Covid-19 pandemic and the Ukraine crisis. This is particularly needed for Africa which has proven to be vulnerable to such external shocks. In this context the successful implementation of the Agreement establishing the African Continental Free Trade Area (AfCFTA) is critical. The AfCFTA is a flagship project of African Union Agenda 2063 which offers a vision for Africa to become a more integrated, peaceful, and prosperous Continent. ECA's latest assessment of the impact of the AfCFTA Agreement indicate that African GDP, output, welfare and trade are expected to grow following successful implementation of the Continent-wide reform. Crucially, intra-African trade is foreseen to be around 40% higher in 2045 with the AfCFTA in place compared to a situation in absence of AfCFTA. All main sectors are expected to substantially benefit.¹

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These ambitions are however threatened by a variety of factors, not least of which is the number of conflicts currently underway in several regions on the continent, and the impact these upheavals have on life, investments, and productive capacities. Disasters, including climate-induced disasters, are also a factor in this equation.

Over the last decade, almost 100 million people around the world have been forced to seek safety either within their own countries or in neighbouring states (UNHCR 2019). Sixty percent of forcibly displaced

¹ See https://uneca.org/sites/default/files/keymessageanddocuments/en_afcfta-infographics-11.pdf.



people were hosted in low and middle-income countries in Africa and the Middle East, and of the 10 countries hosting the most displaced persons, 5 were in Africa.

ECA has just completed a study on “**Triple Nexus and Trade: Towards a New Agenda for Africa**”. The study, supported by empirical data, focuses on the implications for security and peace when viewed in the context of trade reforms. Using the displacement of people as a proxy for the Triple Nexus, with the understanding that large scale human displacement often occurs from a mixture of conflict, fragility, and vulnerability, ECA’s analysis demonstrates that trade is relevant in countering fragility and promoting effective transitions from war to peace.

Between 2010 and 2020 when conflicts intensified in most regions in Africa, including in the Sahel, several recurring factors were observed. These include armed conflict, environmental degradation and desertification, flooding, drought, ethnic tensions, local grievances, food insecurity, severe poverty, terrorist attacks, fragile government, and political instability. ECA’s analysis provides a basis for informing the content, resource requirements and sequencing of corrective measures needed in conflict zones and disaster areas, and which will be the subject of our deliberations over the next few days.

But there is potentially another factor that has increasingly caught our attention. It is the extent to which export-oriented economies in Africa that rely on export-oriented, and commodity linked investments, mirror the peaks and troughs of global economic downturns, and the pressure to plan for the recovery from conflicts and disasters.

Our study shows that there is considerable variation across States in response to a conflict. When we examined the potential relationship between changes in trade and the proportion of internally displaced persons relative to the total population size of the states, we observed some developments which may suggest the tools that will be needed to address the challenges, such as trade openness combined with income and the level of fragility. We also observed that 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.

We also note that **trade agreements** can promote 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. But these disincentives need to be accompanied by incentives that foster intergroup cohesion, trust, and predictability of trade regulations.

In other words, ECA's report is more than just a study which explores the trade implications of conflict.

With the emerging evidence that trade enhances resilience at national, regional, and global levels, the argument to integrate trade into the Triple Nexus are compelling. Development partners like the United Kingdom and the European Union have signalled a willingness to address the underlying causes of conflict, including climate change and economic inequalities. In 2020, almost 45% of the EU's €900 million humanitarian budget was allocated for supporting long term displaced peoples and refugees in the Sahel, the Lake Chad Basin, the Central African Republic, the Democratic Republic of the Congo, and South Sudan.

Yet, this is a drop in the ocean in comparison to the Triple Nexus funding opportunity of US\$ 60 billion a year, based on the aid flows to 58 fragile countries most of which are in Africa and Asia (OECD 2018).

The role of private sector financing and the modalities under which that could operate, will hopefully be discussed during this conference.

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A trade-integrated Triple Nexus governance model that meets the needs of all actors in the development, humanitarian and peace policy space will be needed. The 2030 Agenda of the United Nations for Sustainable Development gives us some common starting principles for tackling the many layers of exclusion that displaced people, especially women and girls face. And external sources such as the Aid for Trade mechanism provides an example of how this model could be developed.

The US\$400 million African Union Peace Fund which has recently been re-activated is a timely reminder of the home-grown initiatives which have developed specifically tailored to the continent's needs.



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In conclusion, although ECA study limits the geographic scope of displacement to regions and States most impacted by conflict, the messages it sends to policymakers and the private sector are clear: there are ways to measure how conflict impacts trade, and the role of Trade and Triple Nexus partners is essential in developing and implementing solutions that work to address this challenge.

I thank you for your attention.