



Rapid Assessment by the Regional Bureau for Africa, UNDP

The impact of the war in Ukraine on sustainable development in Africa

May 2022



THE IMPACT OF THE WAR IN UKRAINE ON SUSTAINABLE DEVELOPMENT IN AFRICA

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EXECUTIVE SUMMARY

The war in Ukraine comes at a time when African countries are still struggling to recover from the destabilizing effects of the global COVID-19 pandemic, which caused deep economic regression, significant loss of productivity, worsening inequalities, planetary pressures, and in some cases security challenges. It is threatening to derail development progress in African countries, pushing the 2030 Sustainable Development Goals and the aspirations of the African Union's Agenda 2063 further out of reach.¹

The direct impacts of the crisis in Africa include trade disruption, food and fuel price spikes, macroeconomic instability, and security challenges. The crisis pushed the price of a barrel of Brent oil above the \$100 dollar mark for the first time since 2014. At the same time, food grain prices continued to rise even higher as supply disruptions from Russia and Ukraine (actual and anticipated) rocked global markets. Food and fuel account for over one-third of the consumer price index in most African countries. The pass-through of consequent inflation will be swift and hard-hitting, especially for vulnerable groups like women and children.

There are also indirect impacts of the crisis to consider, which include imported inflation, difficult energy transitions, and a potential geopolitical realignment. To fully diversify, Europe will have to search for new providers to fill the remaining two thirds gap. Africa's gas producers, like Algeria, Libya and Nigeria, are well positioned to fill this gap. But there are two immediate consequences of the increase in the global demand for oil and gas. First, it could undermine progress towards ensuring a just transition to sustainable energy sources which are much more environmentally friendly. Second, it could limit the continent's access to natural gas in the near-term as African countries export their gas supplies to Europe.

The impact of the war could push Africa into serious debt distress, making countries less likely to meet their debt obligations. It could also increase inequality because high food and fuel prices typically hit the most vulnerable households hardest. Reduced access to electricity and cooking fuel would make more households multidimensionally poor, while shrinking budgets may trigger households to dispose of their assets, thus reducing their ability to cushion themselves from future shocks. Overall, these indirect effects would constrain overall economic activity and could trigger social tensions and unrest.

The crisis appears to be a harbinger of a Cold War redux, which could undermine democratization across Africa and fuel political instability. A global geo-political realignment could also retard economic development through the adoption of economic policies and ideologies that are not pro-poor, planet-friendly and equitable. Indirectly, economic stress could trigger violent protests and unconstitutional transfers of political power.

Moreover, there appears to be a threat to multilateralism, which could hamper the ability of development partners to provide consistent support that would put African countries back on track to attain shared global development aspirations. Weakened multilateralism would unravel significant development progress attained over the past decades and roll back gains made in fighting COVID-19 globally. This is why the development community, including bilateral and multilateral partners, must redouble their efforts to provide adequate and timely support across the continent.

Priority actions to protect development gains in Africa would be:

1. Prioritize immediate efforts to expand the fiscal space in African countries and stabilize African economies via enhanced bilateral assistance, innovative multilateral initiatives (including the expeditious re-channeling of new sources of funds such as the Special Drawing Rights), increased liquidity (e.g. through access to central bank swaps or access to IMF emergency windows) and debt relief (e.g. addressing the slow pace of the Common Framework that has only started working with Chad and Zambia on their respective credit committees).
2. Strengthen resilience to global shocks by reducing Africa's dependency on food and fuel imports, accelerating access to energy based on a just transition, de-risking critical investments in technology and infrastructure, and promoting innovative approaches to entrepreneurship.
3. Foster structural economic transformation in Africa by intensifying support to regional integration and economic diversification, and mobilizing resources to fill strategic infrastructure, health and education gaps.

1. <https://reliefweb.int/report/world/global-impact-war-ukraine-food-energy-and-finance-systems>

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INTRODUCTION

This note analyses the impact of the war in Ukraine on Africa's progress towards the **Sustainable Development Goals (SDGs)**. It focuses on three pillars of the SDGs: People, Prosperity, and Peace. While most African countries are still dealing with the COVID-19 pandemic, the war in Ukraine is imposing additional development, governance and security challenges across the continent. We consider the direct and indirect implications of the war on Africa, the policy measures that national governments are adopting as mitigation measures, and how international institutions, including UNDP, can better support African countries, as they strive

to withstand the immediate impacts and take steps to invest in critical capacities that would build longer-term resilience. Energy, trade, commodity prices, financial flows and food prices constitute the major direct effects, while the indirect effects can occur through inflation and reduced demand for Africa's exports.

Specifically, the direct effects include higher food and fuel prices, disrupted trade, fiscal tightening, widening inequalities, and governance pressures. Imported inflation is the major indirect effect, while waning multilateralism and security threats may also occur.

PROSPERITY:

The impact of the war on economic growth in Africa

Diagram 1: Direct and indirect economic channels



1.1 Impacts on economic growth

Direct Effects

Oil price effects

The war has led to an increase in energy and food prices. Russia is the third largest oil producer, and the price of Brent oil has increased by [25%](#) since the onset of the war. Oil-producing countries such as Angola, Nigeria, South Sudan, Congo, and Gabon stand to benefit from increased demand and higher global oil prices, as European countries search for alternative energy sources. This could have a positive effect on their growth prospects, fiscal balances, current account positions, and reserves.

However, African countries will need to improve the management of these windfall gains. The current practice of forward sale of oil and significant mandatory payments will determine the net gains. For Africa's hydrocarbon exporters, the increase in oil prices is both a gain and a loss. While exports, foreign exchange earnings/reserves, and government revenue are likely to increase, this could be offset by the increased cost of refined petroleum imports - emphasizing the urgency in value addition and industrialization on the continent. Furthermore, the practice of subsidizing petrol, diesel and kerosene will further worsen their fiscal and financial positions.

Longer term growth opportunities for gas-rich African countries

African countries can benefit from increased demand as European countries gradually reduce their dependence on Russian gas. Several countries, including Algeria, Tanzania, Senegal, Nigeria, and Mozambique have significant reserves of offshore and non-offshore gas. Tanzania, for instance, anticipates [USD 30 billion](#) in foreign investment to kick-start the construction of offshore liquefied natural gas projects in 2023, while Senegal aims to exploit the [40 trillion cubic feet](#) of natural gas that was discovered between 2014 and 2017. Algeria, Niger and Nigeria have already signed a 13-billion-dollar agreement to develop the Trans-Saharan gas pipeline.

The United States has announced its potential to [supply Europe with an additional 15 billion cubic meters of liquefied natural gas \(LNG\) in 2022, which represents 10% of the gas that the 27 EU members buy from Russia. In the medium term, this figure could rise to 50 billion cubic meters per year and allow Europeans to do without a third of their Russian imports.](#) Europe will still have to search for new providers to fill the remaining two-thirds gap which Africa is well positioned to fill.

Costly oil imports

The war is already driving up oil prices at the pump, with adverse effects on transportation costs and households' budgets. This trend is likely to continue in the short-term, as the prices of refined petroleum products such

as petrol, diesel, aviation fuel, kerosene, and lubricating oil increase. Most African countries are particularly vulnerable, especially because of their over-dependence on limited sources and their lack of competitiveness in global markets.

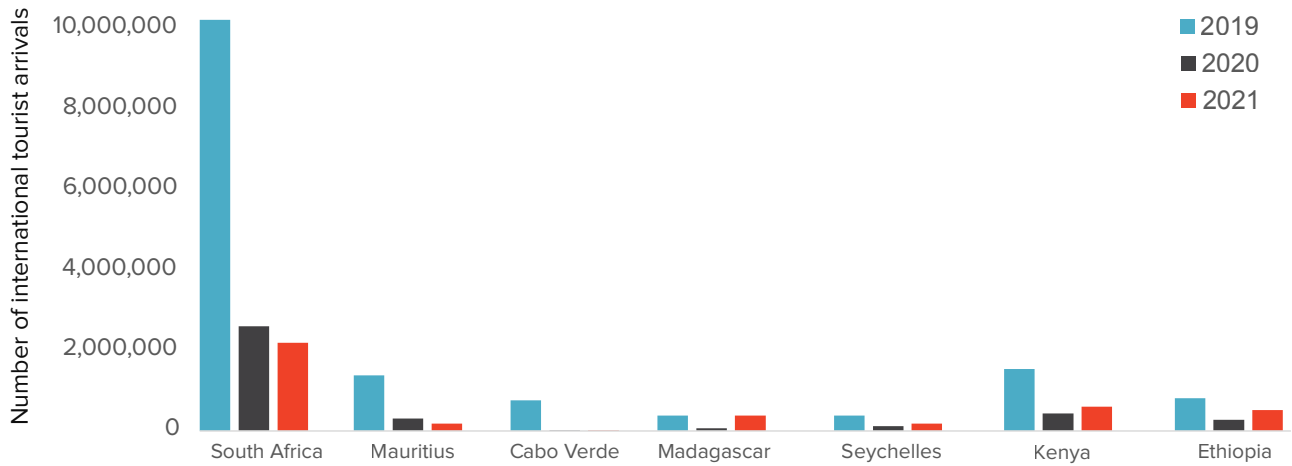
The diamond market exposed

Countries where Russian companies mine diamonds will also be affected. With sanctions already imposed on the diamond industry in Russia, there is fear that diamonds from Namibia could be viewed as "blood diamonds." The isolation of Russia from the international community and the anticipated shrinkage of investment from Russia may also affect the Angolan diamond sector.

Tourism sector

The war in Ukraine risks delaying the recovery of Africa's tourism sector, especially in Small Island Developing States (SIDS) (Figure 1). If the war persists, it will slow down the growth in these economies that heavily depend on the tourism sector. For instance, Russia and Ukraine are the 6th largest tourist markets for Mauritius. To mitigate this, Mauritius is re-engineering its tourism by expanding its niche markets beyond Europe. Russia also accounts for the largest tourism market for Seychelles, with 20.7% of total tourist arrivals in January and February. [With tourism contributing to approximately 25% of GDP, Mauritius is expected to face a significant shortfall in revenue.](#) It may have to account for this shortfall by borrowing, amidst its high expenditure on social protection and other development programmes.

Figure 1: Countries are yet to rebound to pre-COVID levels of international tourist arrivals



Source: UNWTO

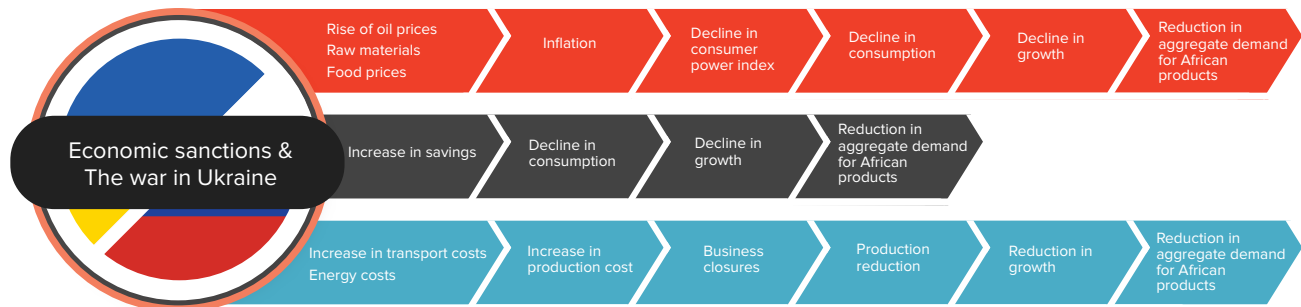
Indirect Effects

The impact on growth

The Russia-Ukraine crisis could jeopardize the continent's prospects for economic recovery through indirect channels such as disruption in energy supplies, inflationary pressures and increased savings. Recent estimates show that global demand could decrease by 3%, while global inflation increases by 4%. Given historical trends, African exports are forecast to grow by 4.1% in 2022, as opposed to 8.3% if the war did not occur. As depicted in Figure 2, increased

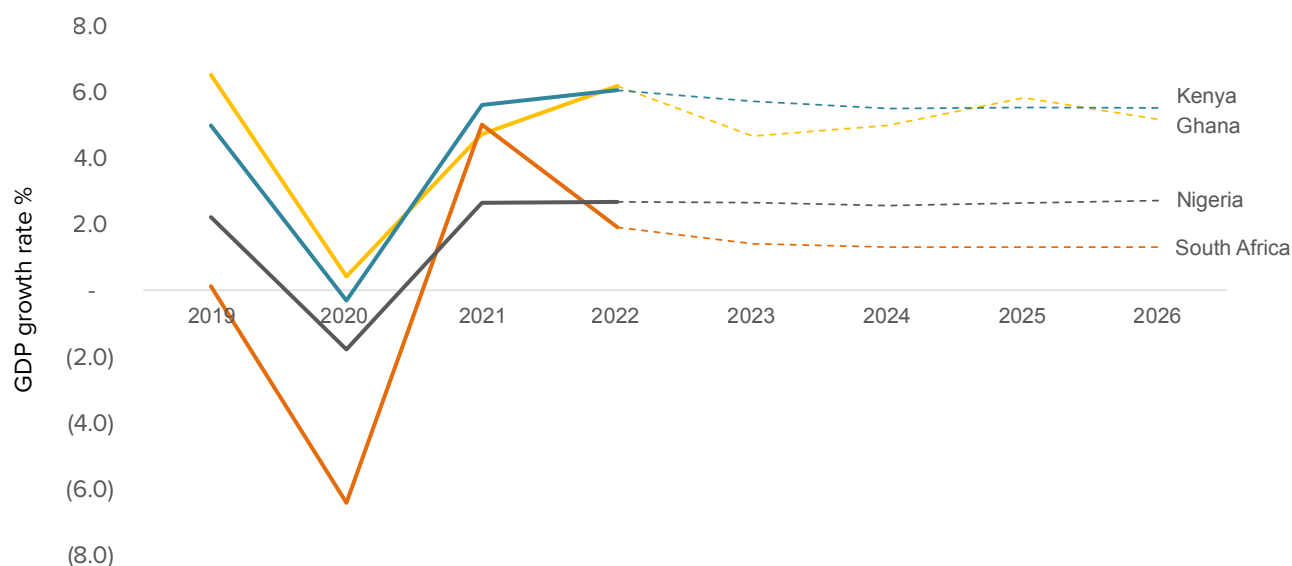
inflation will reduce consumption, lower global growth and, in turn, the demand for African exports. Additionally, production shocks are likely to affect economic growth due to increased energy and transport costs. Businesses will bear the cost of rising energy prices and could experience severe difficulties. The rise in fuel prices also increases transport costs for manufacturers. Ghana imports 60% of its iron ore and steel from Ukraine, 25% of its wheat from Russia, and 17.6% of fertilizer from Russia. Tanker delivery costs, for instance, doubled between February 23 and March 3, 2022. In Sierra Leone, the increase in the price of

Figure 2: Macroeconomic transmission channels of global economic impacts to Africa



Source: Authors' elaboration

Figure 3: Economic growth trends for selected major African economies



Source: IMF (World Economic Outlook)

fuel (20%) has increased the cost of local transport by 50%. Some African regions, such as West Africa are already facing additional challenges such as uncertainties relating to COVID-19 and insecurity.

The war will heighten the risks of a debt crisis

Most African countries were implementing protective social policies to support vulnerable populations during the COVID-19 pandemic. The current inflationary spiral triggered by the crisis in Russia and Ukraine is likely to make countries, which were already near debt distress, less able to make timely debt service obligations.

Additionally, as the war affects inflation and economic activity, global interest rates are likely to rise. This could worsen Africa's debt position, particularly in countries whose debt repayments are due in 2022 and 2023. Moreover, an increase in domestic interest rates will have a negative effect on both domestic debt service payments and

the capacity of Small and Medium Sized Enterprises (SMEs) to borrow.

Some African countries, including Zambia and Nigeria, are undergoing post-COVID-19 debt negotiations with the IMF and will have to find alternative resources to stabilize their debt positions.

An acceleration of inflation will have major destabilizing effects

Increased inflation constitutes a key macroeconomic risk.

The destabilization of global supply chains and production processes has already triggered an increase in prices which has led to renewed attention to inflation. Increased inflation due to higher global prices of energy, food and raw materials is likely to reduce households' consumption, income and savings. This will also have an effect on public expenditures as governments try to support populations by maintaining energy

prices at an affordable level. Tanzania, Ghana, Sierra Leone and Zimbabwe have already announced significant fuel price increases. Figure 4 shows that retail prices have remained stable in recent weeks despite what is by definition an oil shock, but it is difficult to imagine this trend holding up without even more governmental interventions and price controls going forward.

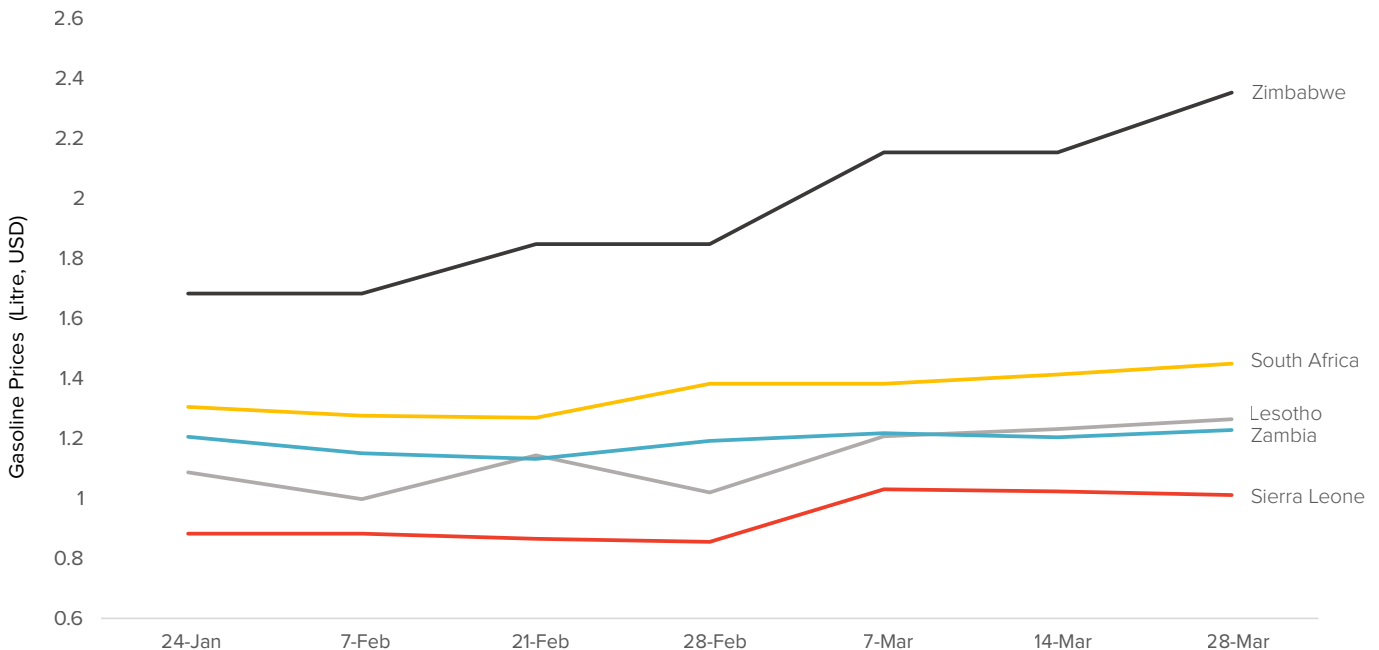
Financial market volatility will not be favorable to Africa

The crisis has already caused disruptions in financial markets. An increase in risk aversion among investors could trigger capital outflows from African countries, leading to currency

depreciation, a drop in equity market prices, and an increase in risk premiums for bonds. This could affect resource mobilization, outflow of foreign direct investment and the issuance of international bonds by African countries. Tensions in the international financial markets will also affect development financing and hinder progress toward the SDGs.

In the longer-term, as the crisis continues and affects European countries and the U.S., African countries may receive less remittances if the host economies of their migrants struggle to recover. Fewer Africans (approximately 50,000) live in Russia compared to other western countries and remittances from Russia are typically low.

Figure 4: Gasoline prices at the pump for selected African countries between January and March 2022



Source: Global Petrol Prices

1.2 Affordable and clean energy

Direct effects

The war is a threat to the commitments made at COP26 in Glasgow. To cope with the COVID-19 pandemic, G20 countries spent at least USD 14 trillion on health-care systems, wages, and welfare. Only [6%](#) (about USD 860 billion) was allocated to areas that will cut emissions; including making buildings more energy efficient, electronic vehicles and installing renewables. As the prospect of economic recession looms, the promises of COP26 could be pushed into the background in order to deal with the energy shocks as Europe strives to reduce its dependence on Russia. Thus, options like the reopening of coal-fired power plants and increasing hydrocarbon imports to Europe are being considered.

Indirect effects

Due to the current inflation, most low-income households are currently in a situation of energy poverty, or have no access to electricity. To reduce their energy costs, millions of poor households rely on firewood and charcoal for cooking and heating. Purchasing power is falling due to the rise in food prices.

In Africa's industrial sector, the rise in natural gas prices poses a problem for companies that use this fuel to manufacture chemicals or fertilizers. This has added to costs incurred by many businesses who depend on self-generation of electricity, as power from the national grid remains unreliable. Particularly manufacturers, retail outlets and small businesses in the informal sector who rely

on petrol and diesel to power their machines have had to raise prices of goods and services even as consumers grapple with lower purchasing power.

In the medium term, African governments must reform their agricultural and energy sectors to attract more investments and ensure greater food and energy security for their population. This will be necessary for addressing existing challenges, as well as enhancing the efficiency and good governance of public and semi-public companies operating in these sectors.

1.3 Rebuilding the prosperity pillar

Three main areas of action could be considered to mitigate the impact of the crisis on the Prosperity pillar:

- Support countries in redirecting resources to those most vulnerable to food and fuel price shocks. This would be critical in preventing further increases in hunger and poverty rates as a result of the pass-through inflation effects of the war. In the medium term, African countries should adopt a holistic approach to overall macroeconomic management along with efficient governance and regulatory frameworks for countries at risk of critical destabilization by the inflation crisis.
- Strengthen support for the acceleration of implementing SDG7. Efforts could be directed to facilitate the development of 300GW of renewable power in Africa by 2030, improve accessibility, ensure affordability and reduce persistent energy inequalities. This will imply supporting

countries to modernize their grid and strengthen their technical capacity through knowledge and technical assistance.

These efforts to scale existing solutions could eventually provide access to clean and affordable energy to an additional 500 million people, focusing on the most vulnerable communities. [UNDP's energy compact can support African countries to mobilize partners within the United](#)

[Nations system, Member States, private sector and civil society to increase energy access.](#)

- Africa's development partners could provide technical and analytical assistance to the countries that will be more heavily hit on issues ranging from energy supply, food security, foreign exchange reserves, trade, fiscal sustainability, financial risk monitoring, and subsidy reforms to strengthening macroprudential policies.

PEOPLE:

The human impacts of the crisis on poverty and hunger in Africa

The war in Ukraine could have devastating economic consequences on the continent, including increased hunger and poverty, given the continent's high dependency on food imports, rising global food prices, and low agricultural productivity.

Diagram 2: Direct and indirect human channels



2.1 Impacts on poverty in Africa

Direct effects

The war in Ukraine can increase poverty in Africa through three main channels. First, most households devote a relatively high share of their expenditure to food relative to other countries. This suggests that rather than focusing on sustainability, electricity, and economic transformation, most households are preoccupied with survival.

Second, the war could widen inequality because high food and fuel prices hit the most vulnerable households. Increased poverty and inequality would not only reduce overall economic activity but could also trigger social tensions and unrest.

Third, due to increased oil prices, the war could deprive households of basic amenities such as electricity and cooking fuel, and thus increase multidimensional poverty on the continent. To protect themselves from these adverse effects, households may result to

disposing of their assets, which would make them vulnerable to other shocks.

Countries that are highly dependent on food and fuel imports are the most vulnerable to increases in poverty. Fuel imports in countries such as Tanzania, Nigeria, and Burkina Faso account for more than 20% of total imports while food imports account for around 35-40% of imports in Benin, the Gambia and Comoros. Countries such as Senegal are highly dependent on both food and fuel imports, and are particularly susceptible to an increase in poverty levels.

Indirect effects

The indirect effects of the crisis on poverty could also result from worsening global economic conditions. As global commodity prices and fuel inflation increase, consumption expenditures will decline. This would lower global growth and, in turn, reduce aggregate demand for African exports.

Weaker demand for African exports will likely slow down economic growth in many countries, further reducing people's incomes and straining public resources for poverty reduction measures. Although it is challenging to quantify the effects of the war on poverty in Africa at this point, recent evidence from external shocks in the Economic Community of West African States (ECOWAS) suggests that the COVID-19 pandemic increased extreme poverty in West Africa [by 3%](#).

2.2 Impacts on hunger in Africa

Direct effects

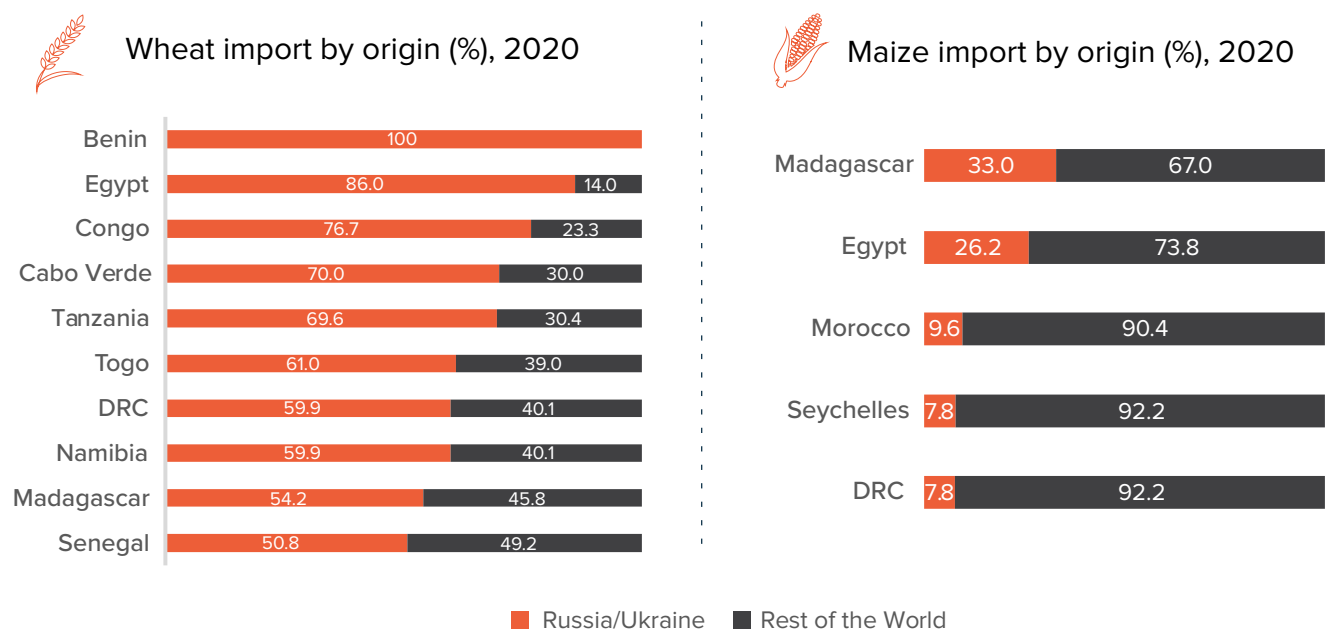
Decreased food supply from Ukraine and Russia will increase hunger

In 2020, African countries imported USD 4 billion worth of agricultural products from Russia, 90% of which was wheat. Russia and Ukraine account for 30% of global wheat production and 80% of sunflower oil. African countries are particularly vulnerable due to their heavy reliance on imports from Russia and Ukraine (Figure 5). Egypt is the world's largest importer of wheat, with 80% of its wheat imports from Russia and Ukraine. It also spends USD 955 million on wheat subsidies. Other countries that import significant amounts of wheat from Russia include Benin, Cabo Verde, Mauritania, Senegal, Guinea, Sierra Leone, Ghana, Nigeria, Cameroon, Ivory Coast, Mali, and Liberia. Some regions, like West Africa, are less dependent on food imports from Russia and Ukraine (accounting for only 1.7% of total calories consumed in this sub-region).

This direct effect on food prices and hunger could also have spillover effects, as some land-locked African countries rely on neighboring countries that are tied to the Russia-Ukraine markets. For instance, South Sudan is highly dependent on imported food supplies from Uganda and Kenya. Between 2012-2019, it imported about USD 253 million (48% of total imports) from Uganda and USD 30 million (30% of total imports) from Kenya. Rising food prices, notably cereal (wheat and maize) in source markets will negatively affect domestic prices in South Sudan², thus

2. While increasing prices will negatively affect urban consumers, rural producers could actually benefit, although rural producers would feel the increased cost of imported fertilizers and both groups would be affected by higher energy (and thus transport) costs.

Figure 5: Wheat and maize imports by origin



Source: UN Comtrade

increasing inflation, food insecurity and humanitarian needs (estimated at USD 1.5 billion or 30% of GDP).

Indirect effects

Higher global prices of fertilizer would reduce agricultural productivity in Africa, putting further pressure on food supply

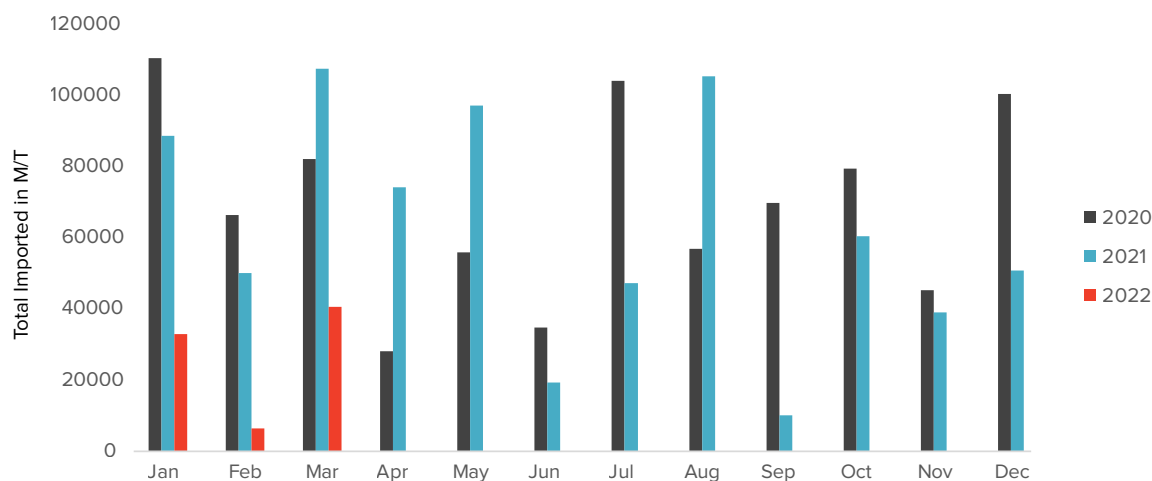
The war has led to a 21% increase in the price of fertilizers. Russia is a major source of the ingredients used to produce fertilizers, [accounting for 24% of world exports of ammonia and 40% of world exports of ammonium nitrate](#). In Africa, several countries have initiated fertilizer subsidy schemes to protect farmers against rising fertilizer prices. These costs, which are anticipated to increase, will further put pressure on the limited fiscal space in many African countries.

In addition to the rising costs, many African countries are struggling to access supplies of fertilizers. Figure 6 illustrates Kenya's monthly fertilizer imports from 2020 to March 2022. Imports since the start of the war in Ukraine are significantly below Q1 figures during the two preceding years. Agricultural yields will be well below average this year. This scenario is likely to play out in most African countries.

Higher global food prices would make Africa's food imports more expensive, also pushing up hunger

The price of milling wheat exceeded its historic high following the onset of the war in Ukraine, to a new record of [351.25 Euros](#). Similarly, the prices of other commodities such as corn and wheat have also increased. These price increases are likely to be

Figure 6: Total fertilizer imports in Kenya by year



Source: Kenya Revenue Authority

transmitted to African countries through commodity markets. In addition, scarcity and price spikes could result in hoarding, speculation and hedging, which could further increase food prices.

Countries that import a higher share of food typically tend to have higher rates of undernourishment. In times of economic downturns – such as global recession, conflict, or financial crisis – this dependence on external supply of food (and global food prices) undermines countries' ability to feed their citizens.

Countries such as Congo and Sierra Leone are at high risk of food insecurity since they rely on the external sector to a large extent. Countries like Mozambique and Angola are facing moderate risk with less dependency on food imports.

Furthermore, rising oil prices will also increase competition and demand for sugar cane/beet (for ethanol production) – which is one of Nigeria's top imported agricultural products. As a result, Nigeria's sugar industries and products made with sugar could suffer from higher prices, which will likely be passed on to consumers.

Figure 7: Food prices and insecurity

Country	Food Prices (year on year change %, 3-month moving average)	Food imports (% of merchandise imports)	Prevalence of moderate or severe food insecurity in the population (%)
Angola		19.3	73.5
Botswana	7.2	12.7	50.8
Burkina Faso	14.3	11.6	47.9
Congo, Rep.		31.3	88.3
Gambia, The	10	28.8	56
Guinea	15.2	26.6	74.1
Lesotho	7.4	28.1	49.7
Madagascar	8	20.2	
Mozambique	12.2	19.7	71.1
Sierra Leone	19.4	32.3	83.9

Source: World Bank/IMF

2.3 African countries' responses to the soaring food and energy prices

African countries differ in terms of their response to rising energy and food prices. Prior to the current crisis, some countries (such as Ethiopia, Nigeria and South Africa) had already introduced domestic price controls and export restrictions. The challenge is that such measures guarantee food security of local populations, but at the expense of local food producers who wish to benefit from higher prices. Some countries, such as Benin, have introduced measures to ban the exportation of imported products. Other countries, such as Malawi, Zambia, and Uganda, allow domestic prices to fluctuate, but provide targeted cash transfers to the most vulnerable segments of the population, especially women in remote areas.

African countries are exploring avenues for additional resources to replenish and secure their food stocks, support vulnerable populations and cope with rising energy and food prices through subsidies, as well as deal with the rise in internal and external interest rates to contain inflation. Fiscal space is needed to support the most vulnerable households and to help offset rising costs of living.

2.4 Rebuilding the people pillar

The national policy responses described above are limited by public budgets. There is

scope to support African countries in reducing poverty and hunger, which had already been on the rise due to the COVID-19 pandemic. However, in order to have long-term impacts, these responses must address structural vulnerabilities such as narrow production and export bases, limited intra-continental trade, and endemic food and fuel insecurity.

UNDP's new **Strategic Offer in Africa** articulates a theory of change that addresses long-standing structural issues, focuses on building longer term resilience, and puts countries and communities back on track to attain the SDGs.

Thus, priority actions would include:

- Accelerating agricultural productivity through modernization. Using technology and incentives to leverage Africa's uncultivated arable landmass is critical for enhancing food security, especially for the traditionally marginalized population. The goal should be to lower the share of food and fertilizer imports from foreign markets.³
- Prioritizing social protection mechanisms such as temporary basic income. The aim is to revisit the obstacles of the extension of social protection in Africa in order to engender a reconsideration of social protection policy. Social protection systems should be a mixture of social assistance and social insurance, catering for differentiated demographics and income levels.

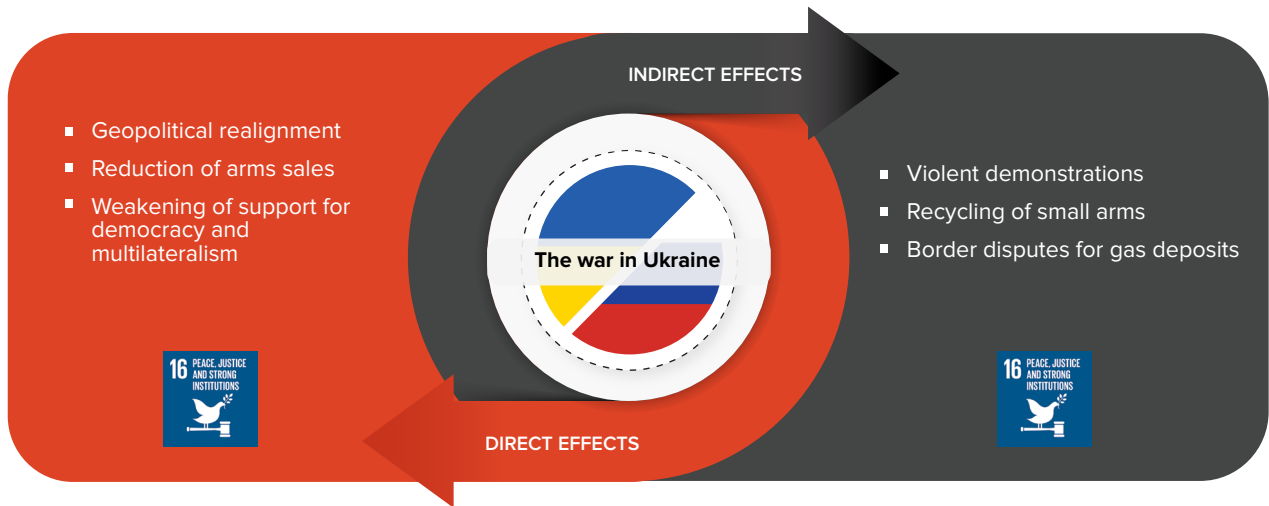
3. However, this expansion of the agricultural area should be directed in such a way as to not negatively affect critical ecosystems such as tropical forests. Importantly, considering generally low yield levels on the continent, a substantial increase of food production could be achieved not by bringing more area under cultivation but by increasing per-hectare yields, for example through the wider use of irrigation and, generally speaking, more investment into agricultural supply chains.

PEACE:

Geopolitical impacts on security and governance in Africa

The consequences of the Russia-Ukraine crisis could transcend economic and social outcomes. The wider implications could include weakened commitments to democratization, the resumption of proxy conflicts, undermining of multilateralism, and worsening state-society relationships across Africa.

Diagram 3: Direct and indirect geopolitical channels



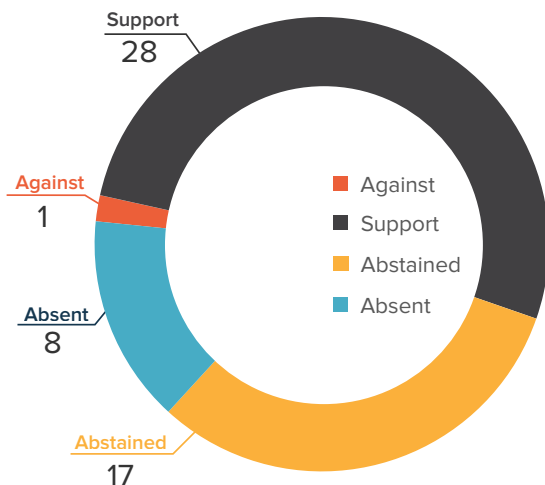
3.1 Stability, peace, and security risks

Direct effects

Geopolitical realignment

Voting patterns for the United Nations Russia-Ukraine resolution reveal a possible return to Cold War-type strategic alliances that could re-define geo-political realities on the continent (Figure 8). This highlights the sensitivity of the crisis for some African countries, perhaps due to the fear of

Figure 8: Voting results of African countries for the resolution on aggression against Ukraine



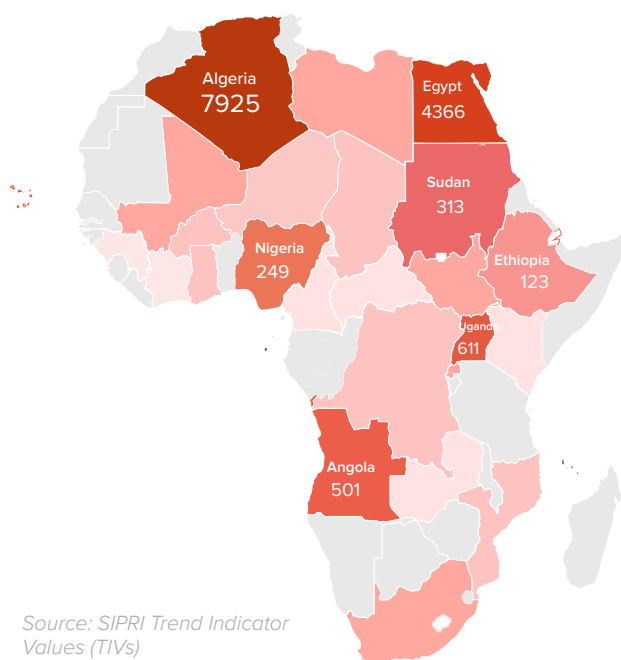
Source: United Nations

retaliation (disinformation campaigns, election-meddling schemes among others), significant economic dependence, new Russian diplomatic and military engagements (especially in Mali, the Central African Republic, Sudan, and Madagascar), pressure to accommodate domestic public opinion on Russia, or the need for countries to preserve their neutrality and non-alignment due to ideological factors.

Reduction in arms sales

Over the period 2014-2019, Russia supplied [49%](#) of the weapons sold to Africa. It also accounted for 20% of arms sales between 2011-2020. Countries such as Algeria, Egypt, Sudan, Angola, and Nigeria are the major importers of Russian arms. Russia also supplies arms to countries such as Nigeria, that face difficulties in purchasing arms from the United States due to human rights concerns.

Figure 9: Arms exports from Russia in million USD (2010 – 2021)



Weakening of support for democracy

African countries' voting patterns in the UN resolution on the Russian invasion of Ukraine also raise some concerns regarding the possibility of a return of authoritarianism on the continent, and a weakening of democracy. Between 2000 and 2021, 21 coups d'état occurred in 14 African countries. Meanwhile, a growing trend towards constitutional revisions has resulted in 16 African countries eliminating or modifying presidential term limits (13 of them did so in the past six years). While elections (local, parliamentary, or presidential) are scheduled to be held in 17 African countries in 2022, the crisis in Russia and Ukraine offers an opportunity for forced transitions, which could trigger electoral crises.

Indirect effects

In the short term, rising food and energy prices could lead to violent demonstrations if governments fail to introduce measures to shield the population from the effects of rising prices. For instance, demonstrations took place on March 14, 2022 [in Sudan to protest soaring food and fuel prices](#). The Arab Spring is a stark reminder of what is at stake. [Food and fuel price increases precipitated protests that led to violent socio political upheavals across North Africa between 2010 and 2012](#). The fragility of some African states may raise fears of destabilization if price dynamics and their repercussions are not addressed.

In the longer-term, the war could create unregulated secondary markets in Africa that recycle small arms, and this could serve as important sources of arms and weapons for terrorists and separatist movements. Peace and security could be undermined due to increased demand for oil and gas production in fragile regions or countries through the

resurgence of militarized local protests - e.g., Niger Delta. Also, border disputes for gas deposits - e.g., Kenya-Somalia, Kenya-Uganda, Nigeria-Cameroon — could also be reignited as prices and demand increase.

3.2 Different crisis contexts across African regions

In recent years, Russia has intensified the presence of its private military companies (the Wagner Group and the RBS group) in Africa. Its military involvement in conflicts in Africa has had far reaching implications. The Mali case shows how Russian influence could complicate global and regional peace initiatives, such as the France and European Union engagement with Takuba forces. As the war in Ukraine continues, and the Russian government calls for its private military companies to join the battle in Ukraine ([in CAR in particular, where a reduction of mercenaries has been noted since the beginning of the war in Ukraine](#)), redeployments of troops from African countries could take place (in Mali in particular).

In the Horn of Africa, pre-existing conflict, especially in Somalia, and the recent escalation of violence in Ethiopia, is an opportunity for intervention by Russia, including its ties with Eritrea. In the Central African Republic, the conflict remains resistant to a sustainable political solution in the face of armed groups violating the Khartoum Peace Agreement signed in 2019. The Russian presence with a private military company (Wagner Group) - providing an estimated [1,200-2,000 personnel, weapons,](#) and military instructors - is seen as part of the problem as it is strengthening the case for a military solution rather than for a peace deal.

The apparent withdrawal of Russia's private military companies could be a window of opportunity to craft peace in these regions.

3.3 Rebuilding the peace pillar

Three main intervention areas can be considered:

- **Strengthening partnerships with regional organizations**

This war poses some risks to African countries to secure political stability, peace, and democratic governance. To respond to African people's aspirations for peace and security, the development community must strengthen its support to regional mechanisms for peace resolution. Bilateral agencies and multilateral partners must broaden and deepen their cooperation with the AU and sub-regional organizations (ECOWAS, etc.) to promote peace processes, safeguard upcoming elections, and facilitate conflict resolution initiatives.

- **Strengthening state building, governance, and political inclusion**

Africa's development partners must support Africa's people, its governments, and institutions as they seek to effectively address persistent inequalities, weak governance, and violent conflict. These efforts should be directed to support African countries to develop new tools and partnerships to address the threats (violent protests, election-related violence, and violent extremism) to their stability and peace.

- Focusing on urban fragility

Africa's rapid urbanization raises great hopes for the continent's ability to leverage it to transform the population boom into a demographic dividend. [Africa's cities are growing by an estimated 15 to 18 million people each year.](#) However, this rapid urbanization is also a driver of the fragility in some African states. The urban suburbs where the majority of the migrating rural

populations are concentrated are fertile ground for the development of violent extremism, which feeds on the poverty and frustrations of people, especially the youth.

A specific focus is needed on the inclusion of populations from urban suburbs in accessing public services, policy-decision making processes, political representation, and targeted programmes for youth and women's economic and social empowerment.

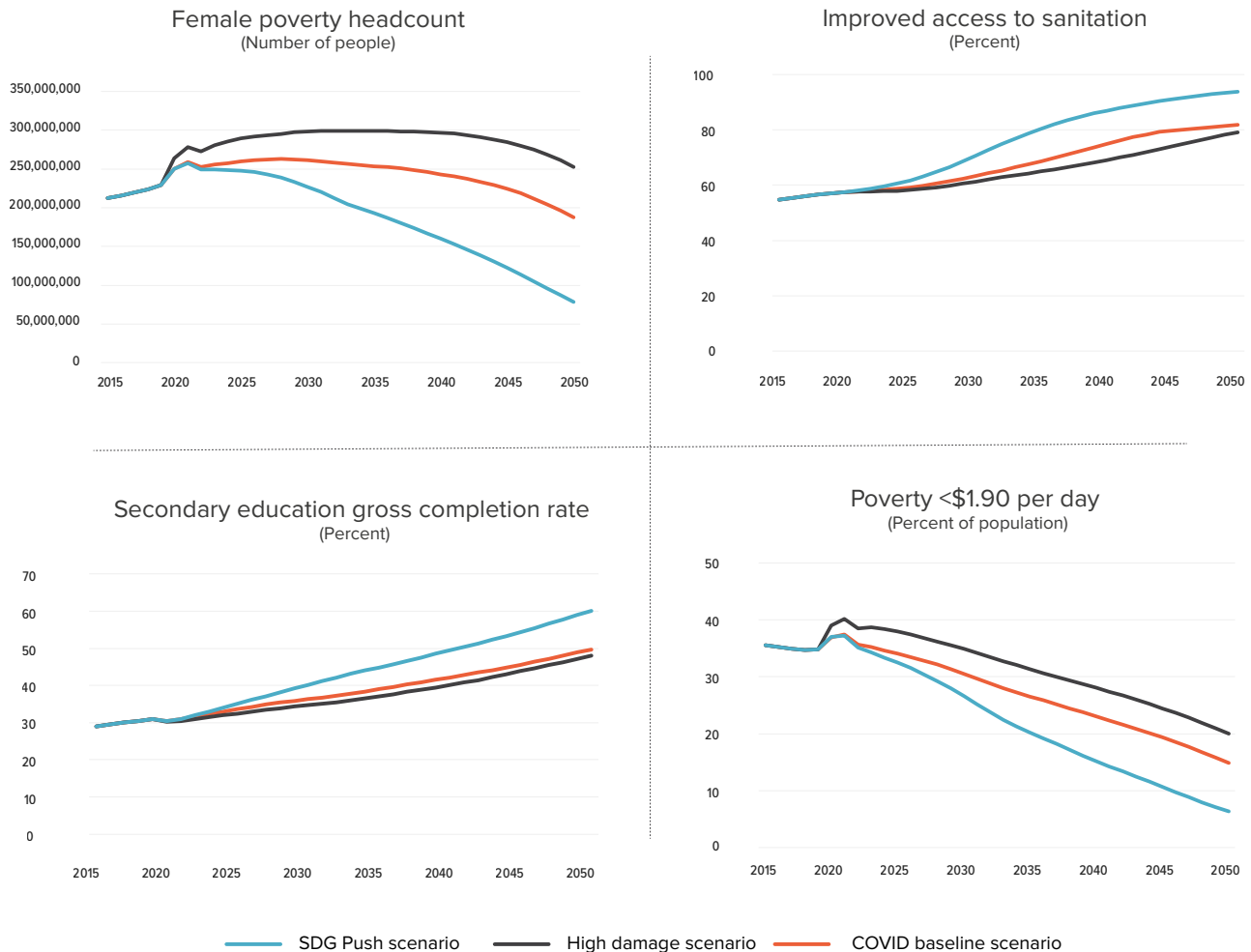
CRITICAL TIME FOR ACTION

The war in Ukraine is having dire financial, economic, humanitarian and security consequences in Europe. As most European countries emerge from the COVID-19 pandemic, they are faced with a new emergency with fresh and urgent priorities. Dealing with the crisis and rebuilding Ukraine could divert attention and development assistance. If this happens, the world stands to lose significant development gains across

Africa and the continent will not be well placed to build forward faster, stronger, smarter, more sustainably, and more equitably.

Speaking towards the end of World War II, [British Prime Minister Winston Churchill](#) is reported to have challenged the world not to let a crisis be wasted, emphasizing the transformative role that new alliances could play in reshaping global security and

Figure 10: Post-pandemic scenarios for Africa



Source: UNDP Data Futures

economic relations. His admonition led, in part, to the creation of the United Nations. In like manner, the double-whammy of the war in Ukraine and the COVID-19 pandemic presents Africa with a unique opportunity to re-chart its development trajectory. UNDP's influential publication, "[Leaving No one Behind: Impact of COVID 19 on the Sustainable Development Goals](#)" posits four post-pandemic scenarios for Africa — no COVID, COVID, high-damage COVID, and SDG Push. [The SDG Push scenario](#) entails targeted investments in green growth, governance, social protection and technology that would reposition and reshape Africa's SDG attainment trajectory. Under this scenario, some 100 million Africans will be lifted from extreme poverty by 2030, and 234 million by 2050.

Moving ahead in Africa in the wake of the war in Ukraine will require a Big Push. A collaborative and coordinated multi-year effort is needed to compensate for the losses, open new opportunities, de-risk green transitions, bridge yawning inequalities, mainstream technology, bolster regional trade, revitalize manufacturing, and consolidate inclusive governance. Three immediate priorities include:

4.1 Intensifying efforts to reframe development finance

Both COVID-19 and the war in Ukraine have laid bare the vulnerability of many African countries to the financial transmission of external shocks.

Both regional development banks, as well as the Bretton-Woods institutions, need to

urgently step up their efforts to boost their financial support to African countries. For instance, advanced economies could re-channel a share of their Special Drawing Rights (SDRs) resources to Africa. This could be a potential additional source of resources for countries, cushion against food and oil shocks, and support debt repayment.

This could help provide short-term financial safety nets to prevent further increases in hunger and poverty in Africa, and also finance some of the long-term transformational changes needed to enhance food and fuel security.

It is imperative for the entire development community to commit to closing the [USD 2.5 trillion per annum](#) funding gap to achieve the SDGs by developing countries. New partnerships and sources of development financing are required to meet the rising needs of future development in Africa.

There is an urgent need to provide programmatic advice to support domestic resource mobilization in order to raise the tax-GDP ratio from the current 17.5% to more than 24% by expanding tax bases and advocating for reduction of unnecessary tax waivers and incentives that are detrimental to revenue generation and local SMEs development.

More should be done to engage the international and domestic private sector in transformative sustainable financing mechanisms including impact investment engagements, blended financing, public private partnerships and International Financial Institutions (IFIs).

Existing public sustainable financing facilities, such as the Global Fund, Global

Environment Facility, Green Climate Fund, and Clean Development Mechanism could be transformative tools for development financing.

4.2 Resilience in African economies

Development actors have a key role to play in enabling Africa to transform its natural resource wealth, by taking advantage of blue-carbon markets, and green financing mechanisms. Furthermore, carbon neutral risk-sensitive investment, de-risking, impact investment, environmentally sustainable projects, and sustainable energy investment are among the critical areas where efforts could contribute to orienting sustainable investment in Africa. This would go a long way towards building resilience to global shocks.

4.3 Economic transformation will be the key driver of change for Africa

It is critical for Africa's development partners to reorient global efforts toward supporting African countries in accelerating the transformation of their economies. *Three levers could accelerate Africa's economic transformation:*

- **Harnessing digital technologies and promoting free and fair competition** will be fundamental in revitalizing African economies. In 2020, mobile technologies and services generated [USD 130 billion](#) of economic value-added in sub-Saharan Africa, equivalent to 8% of GDP, and

contributed about USD 15 billion in the form of taxes. Digital technologies can stimulate innovation, economic growth, and job creation in critical sectors of the economy by allowing better interconnection of African markets with the rest of the world. They can also increase market access and financing for the marginalized population, usually excluded by the formal financial system. Thirdly, digital technologies also help leapfrog energy efficiency, create smart grids and are the basis for delivering energy as a service.

- **Intensifying support to regional integration and economic diversification:** The African Continental Free Trade Area (AfCFTA) provides a platform to raise Africa's low productivity, accelerate industrialization and promote higher investment in the continent. Even when African countries do produce some of the food and fuel they need, much of it is often exported, following patterns of trade established in colonial times. Furthermore, as the [2021 AfCFTA Secretariat/UNDP Africa Futures Report](#) on value chains has shown, 8 out of 10 value-chains that could benefit from regional integration rely on natural commodities. These chains hold opportunities for increased value-added higher up the production ladder. Together, these efforts can make Africa both more prosperous and less vulnerable to external shocks such as pandemics and conflicts.
- **Mobilize the resources to fill in the infrastructure gaps** (roads, energy, water, health, education, etc.) that are constraining Africa's development. Strategic investments in

infrastructure, energy, transport, and telecommunications are needed to transform the promise of a free trade area in the continent into a reality for all Africans, regardless of gender, affiliation, location, religion or ethnicity.

- **Revisit the role of the African continent as a supplier for critical raw materials.** Deploying renewable energy technologies without taking into account the mineral demand risks and the additional carbon emissions from upstream and end of life activities may

hinder rather than accelerate progress on SDG 7 and SDG 13.

Understanding and analysing the full mineral supply chain for low-carbon technologies are critical to effectively realize climate ambitions. African countries stand at the beginning of minerals' supply chains, and developing sustainable resource management strategies now may offer double wins, helping both boost economic growth to reduce climate and environmental risks (and in return have an impact on exports).



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