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Executive Summary

- March 2026 emerged as a critical juncture for Africa, deeply affected by the ripple effects of the escalating Middle East conflict triggered by the joint U.S.-Israel military operations against Iran. This global tension disrupted vital energy supplies, pushing oil prices beyond $100 per barrel and exposing the continent's heavy reliance on Middle Eastern imports, which in turn fuelled inflation, strained budgets, and highlighted the urgent need for energy diversification.
- Far from a stable period, the month highlighted Africa's adept manoeuvring through overlapping challenges: intensifying security breakdowns tied to economic assets, progressive steps in regional trade integration under the African Continental Free Trade Area (AfCFTA), and governance adjustments aimed at reconciling political continuity with public legitimacy in an increasingly multipolar global landscape.
- Three overarching macro forces framed the month's developments:
  - Geopolitical disruptions in energy markets dominated, with the Iran crisis causing immediate fuel shortages and price spikes that hit import-dependent nations hardest, while simultaneously creating short-term revenue boosts for oil exporters.
  - Regional diplomatic efforts gained traction, evident in initiatives from bodies like the Southern African Development Community (SADC), the East African Community (EAC), and the African Union (AU), which focused on building institutional strength through energy transitions, financial reforms, and enhanced global representation, moves designed to fortify Africa's resilience against external shocks.
  - Evolving security and governance landscapes revealed deepening fractures, from targeted sanctions and forced displacements in conflict zones to authoritarian consolidations, all of which intertwined domestic politics with regional economic stability and international pressures.
- Taken together, these elements point to Africa's progression into an era of "managed volatility," where success hinges less on achieving outright stability and more on fostering adaptive institutions, diversified partnerships, and proactive geopolitical strategies.
- While immediate shocks like energy price surges pose risks to short-term growth, they serve as catalysts for structural reforms.

Continental Governance and Geopolitical Positioning

Africa's Geopolitical Position in a Multipolar World

- The ongoing Middle East crisis, ignited by U.S. and Israeli strikes on key Iranian military sites, has had profound repercussions for Africa, primarily through severe disruptions in global oil flows. With the blockage of the Strait of Hormuz, a chokepoint for roughly one-fifth of the world's crude oil, Africa, as a major net importer of petroleum products, is severely impacted by sharp fuel price hikes exceeding $100 per barrel, leading to widespread inflation, weakened currencies, and eroded foreign reserves in countries such as Kenya, Ghana, and South Africa. This mirrors the economic fallout seen during the 2022 Ukraine crisis but on a potentially larger scale given Africa's growing energy demands for industrialisation.
- This heavy dependence on Middle Eastern supplies underscores fundamental risks in Africa's energy and industrial sectors, where imported fuels power much of the manufacturing and transport infrastructure. Yet, it opens doors for strategic pivots toward diversification, such as ramping up domestic renewables or forging new supply agreements, thereby enhancing Africa's agency in a multipolar world.
- In response, some African leaders emphasised principles of strategic autonomy, actively diversifying international partnerships to buffer against unilateral dependencies while asserting sovereignty over domestic policies. This approach aligns with broader AU guidelines, positioning the continent not as a passive recipient of global aid but as an active shaper of multipolar dynamics.
- Such diversification mitigates risks from overreliance on any single power but introduces complexities in diplomatic coordination, potentially leading to inconsistent foreign policies if regional blocs like Economic Community of West African States (ECOWAS) or SADC fail to align. Nonetheless, it elevates Africa's bargaining leverage.

Regional and Continental Updates

- At the 25th Ordinary Summit of the East African Community (EAC), held in Arusha on 7 March, Yoweri Museveni assumed the chairperson role from William Ruto. Stephen Patrick Mbundi of Tanzania was appointed as the new Secretary General.
- To address financial pressures and integration challenges, the EAC revised its funding model. The previous 65% equal / 35% assessed contribution formula has been replaced with a 50/50 structure. Member states are required to implement this from 1 July 2026 without further consultation. In addition, a once-off 50% waiver on outstanding arrears was approved, provided the remaining balance is settled within two years.

- Governance rules were also tightened. A quorum of two-thirds of member states is now required for meetings, and eligibility for senior leadership roles (such as Speaker, Judge President, and Secretary General) is limited to countries that have fully ratified and implemented all Community legal and integration frameworks.
- The Summit further resolved that members of the East African Legislative Assembly will, from December 2027, be remunerated by their respective national parliaments rather than the Community.
- On the economic front, intra-EAC trade grew significantly, up 22% to $40.3 billion in 2025, helping to narrow the regional trade deficit. This coincided with the launch of the Seventh Development Strategy and strengthened coordination on regional security challenges, particularly in the Democratic Republic of the Congo. These developments come after a period of strain linked to the bloc's expansion, including the addition of Somalia and the DRC.
- Overall, the financial and institutional reforms are aimed at improving efficiency, accountability, and long-term sustainability. However, while increased trade underscores the benefits of regional integration, ongoing security challenges, especially in the DRC and Somalia, continue to pose risks to logistics, operations, and asset security.
- Key sectors likely to benefit from improved trade dynamics include agriculture, consumer goods, and light manufacturing.

Senegalese Sall UNSG Nomination

- Burundi nominated former Senegalese President Macky Sall for the position of United Nations Secretary-General. The nomination drew on his experience as Chairperson of the African Union (2022–2023). Importantly, this was a unilateral nomination by Burundi; not an officially endorsed AU candidacy.
- The bid received some backing from African members of the United Nations Security Council, including the Democratic Republic of the Congo, Liberia, and Somalia. However, it was overshadowed by domestic allegations against Sall, including claims that his administration obscured unfavourable sovereign debt data toward the end of his presidency.
- He also faced strong international competition from Michelle Bachelet and Rafael Grossi.
- The nomination reflects Africa's broader push for greater influence in global governance. Since the Ezulwini Consensus (2005; reaffirmed in 2009), African states have consistently called for more equitable representation in international institutions. This includes demands for at least two permanent African seats on the Security Council (with veto power) and five non-permanent seats, alongside stronger roles in global economic and development bodies.
- While the UN Secretary-General role has limited formal authority, it carries significant soft power, particularly in agenda-setting, appointing envoys, and shaping peacekeeping mandates. This is especially relevant given Africa's substantial contribution to UN peacekeeping forces.
- In this context, Sall's candidacy was more than symbolic. It represented a strategic attempt to build momentum for Africa's reform agenda in a shifting global order. However, support across the continent remained fragmented, weakening its overall impact.
- The bid ultimately collapsed after more than 20 AU member states objected during an internal "silence procedure" led by the AU Assembly Bureau. This outcome exposed underlying divisions within the AU and highlighted the difficulty of consolidating a unified African position on high-level global appointments.
- Notably, the Senegal government distanced itself from the bid, publicly welcoming the African Union Commission's decision not to endorse Sall's candidacy. This further underscored the lack of consensus behind the nomination.
- The episode highlights a broader tension: while Africa seeks stronger collective influence, internal political rivalries and governance concerns can undermine credibility. Sall's alleged domestic record created vulnerabilities that could have been leveraged by permanent Security Council members, potentially weakening the continent's negotiating position.
- From a strategic perspective, a successful African candidacy would strengthen the continent's voice on key priorities such as climate finance, debt sustainability, and resource governance. Conversely, this failed bid underscores ongoing diplomatic fragmentation, which may slow progress on broader UN reform ambitions.

Economy and Trade

Middle East Disruptions

- The Middle East conflict's fallout rippled into Africa's economic sphere, with the US-Israel operations against Iran causing widespread fuel market disruptions. Oil prices climbed above $100 per barrel, straining importers through heightened inflation and reserve losses, while providing revenue boosts to exporters like Nigeria (producing 1.5 million barrels per day).
- These disruptions weave geopolitical instability directly into African economies, where short-term export gains are often offset by domestic inflationary pressures that hinder consumer spending and industrial output.

AfCFTA Updates

- Momentum in the AfCFTA built noticeably in Angola, where the government committed $636 million to develop the Luvo border complex along its corridor with the DRC.
- This investment integrates customs, immigration, and logistics services to formalise previously informal trade flows, enhancing revenue collection, streamlining operations (handling over 50 trucks daily), and boosting intra-African commerce, evidenced by Angola's $173 million in exports and $5.42 million in imports with DRC in 2024. Future plans include establishing processing zones to add value to raw commodities before export.

AfCFTA
Creating One African Market
African Continental Free Trade Area (AfCFTA)

- By shifting AfCFTA's emphasis from mere political ratification to practical execution through infrastructure upgrades, Angola is positioning itself as a regional trade hub, potentially catalysing cross-border value chains in sectors like agriculture and minerals. Persistent challenges, such as outdated customs systems and bureaucratic hurdles, could slow progress, but overcoming them would enable a transformation from raw commodity dependence to higher-value processed exports, driving structural economic growth and reducing vulnerability to global price swings.

Multilateral Support for Economic Transformation

- Ghana's Finance Minister, Dr. Cassiel Ato Forson, announced that the World Bank's Managing Director, Paschal Donohoe, reaffirmed continued support during a March 2026 visit, praising Ghana's fiscal improvements and committing assistance (including a Jobs and Growth Analysis) to drive job creation, sustainable employment, and long-term economic transformation amid youth-focused reforms.
- This aligns with broader multilateral engagements across Africa: For instance, Angola secured a $1.1 billion World Bank package (including a $750 million development policy loan) in early March 2026 to advance structural reforms, economic diversification, private sector growth, and youth job creation, complementing its AfCFTA infrastructure push.
- Such commitments from the World Bank and IMF underscore efforts to build resilience in commodity-dependent economies, support value addition, and enhance integration under AfCFTA frameworks, though challenges like debt sustainability persist in several countries (e.g., ongoing IMF programs in Ghana, Kenya, and others).

Private Sector Implications

- Oil price spikes above $100/bbl and fuel shortages from the Iran crisis are driving cost inflation and margin pressure in manufacturing, transport, and consumer sectors across import-dependent economies.
- However, Sustained oil prices above $100/bbl are also generating short-term revenue upside for exporters.
- Currency depreciation and reserve erosion in markets such as Kenya, Ghana, and South Africa are raising financing costs and complicating debt servicing.
- The EAC's new 50/50 financing model and 22% intra-regional trade growth offer more predictable funding and stronger cross-border demand, while Burundi's UNSG nomination reflects Africa's push for greater multilateral influence via the 2009 Ezulwini Consensus.
- Angola's $636 million Luvo border investment and planned processing zones are formalising DRC trade flows and opening value-addition opportunities in logistics, agriculture, and minerals.
- World Bank packages for Ghana and Angola signal continued multilateral tailwinds for private-sector growth, youth employment, and diversification amid lingering debt pressures.

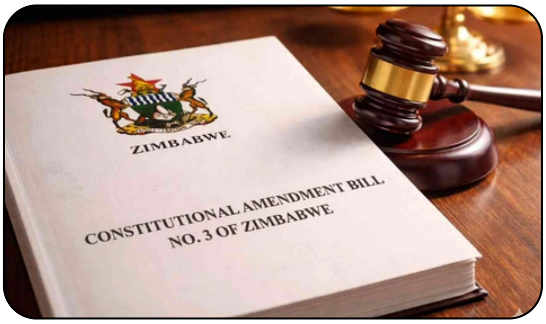
Strategic Recommendations

- Accelerate energy-audit and hedging programmes together with non-Middle East supply agreements or domestic renewables; expand cross-border operations under the revised EAC framework; incorporate UN leadership transition scenarios into ESG forecasting and political-risk registers to capture potential improvements in climate-finance access.
- Implement fuel hedging and alternative supply-chain strategies; position early along AfCFTA corridors through logistics or processing JVs; align expansion plans with funded reform initiatives and use the Jobs and Growth Analysis for targeted market entry.

Governance Reforms

- Governance reforms in March 2026 reflected continental tensions between authoritarian consolidation and demands for institutional accountability. Across multiple countries, reforms targeted political party systems, electoral frameworks, and patronage networks, often serving as tools for regime entrenchment rather than genuine democratisation. This dynamic illustrates how governance is increasingly framed as an economic and security imperative, with reforms balancing elite interests against public pressures for transparency and inclusion.

Zimbabwe Constitutional Amendment



- Debates on the Constitution of Zimbabwe Amendment Bill intensified, with public hearings scheduled from 30 March to 2 April amid widespread controversy. The bill proposes extending presidential and parliamentary terms from five to seven years, potentially allowing President Emmerson Mnangagwa to remain in office until 2030 without violating the two-term limit. The amendment process has advanced and hardened opposition leaders including Prof. Lovemore Madhuku of the National Consultation Assembly have been physically attacked, with some hospitalised, and opposition offices targeted with threats and intimidation.
- The amendment prioritises policy continuity for long-term infrastructure and fiscal planning in a resource-dependent economy. However, it risks eroding institutional trust, framing governance reform as an economic variable tied to investment attraction. This could heighten transnational political risk, with external pressures via migration and visa policies influencing domestic incentives.
- There were renewed calls for South Africa, as the interim SADC Chair until August 2026, to “do something” about Zimbabwe. This is not the first time such appeals have surfaced; identical pressure was exerted during Thabo Mbeki’s era of “quiet diplomacy” (2000s), when Pretoria deliberately avoided public criticism of Robert Mugabe’s land seizures and electoral manipulation to preserve regional solidarity and protect bilateral trade and migration flows.
- South Africa’s consistent doctrinal position, rooted in the SADC Treaty and its own post-apartheid foreign policy, has been non-interference in the internal affairs of sovereign member states. Under President Cyril Ramaphosa, there is no indication of a doctrinal shift: Pretoria has prioritised private bilateral engagement, economic stabilisation support (via the Zimbabwe Special Economic Zones and power-import deals), and behind-the-scenes facilitation over public condemnation or sanctions. “Something,” in this context, therefore realistically translates to low-visibility mediation, perhaps offering SADC good-offices for dialogue between ZANU-PF and the opposition, or quietly urging adherence to constitutional timelines during the public-hearing phase (30 March–2 April 2026), rather than any coercive measures that would fracture SADC unity or risk retaliatory economic disruption.
- President Ramaphosa’s posture appears to remain firmly within the Mbeki tradition. Rhetorical support for democracy in principle, coupled with pragmatic restraint in practice. The risk is that this perceived inaction further entrenches the narrative of regional tolerance for authoritarian consolidation, potentially amplifying investor concerns over policy predictability across the entire SADC bloc.

Guinea's Military Junta Dissolves 40 Political Parties

- In a late-night decree on 8 March, Guinea's military junta, led by President Mamady Doumbouya, dissolved 40 political parties for "failure to fulfil obligations," stripping them of legal status and prohibiting all activities. The parties include major opposition groups like the Union of Democratic Forces of Guinea (UFDG), Rally of the Guinean People (RPG), and the Union of Republican Forces (UFR), whose assets were sequestered.
- The dissolution exacerbates governance challenges by eliminating opposition voices amid ongoing suppression, including arrests, exiles, and kidnappings. Strategically, it consolidates power but increases uncertainty, potentially deterring investment and amplifying calls for international intervention in transitional processes.

Private Sector Implications

- Zimbabwe’s proposed extension of presidential and parliamentary terms to seven years, if passed, entrenches leadership continuity through 2030 but further erodes constitutional credibility and institutional trust.
- Renewed calls for South Africa (as interim SADC Chair until August 2026) to “do something” about Zimbabwe echo past appeals during the Mbeki era; Pretoria’s longstanding doctrine of non-interference, combined with Ramaphosa’s preference for quiet bilateral engagement over public condemnation, suggests any response will likely remain limited to low-visibility mediation rather than coercive action.
- Guinea’s dissolution of 40 opposition parties signals acute regulatory and expropriation risk under junta rule, amplifying policy unpredictability and deterring long-term capital deployment.

Strategic recommendations

- Model capital-allocation scenarios assuming extended leadership in Zimbabwe through 2030 and monitor SADC chair engagements for subtle facilitation signals; secure layered political-risk insurance covering regulatory change and civil-disturbance triggers; apply rigorous local-compliance stress tests to contracts in junta-led jurisdictions and diversify exposure where feasible.

Peace and Security

- Africa's security landscape continued to feature economically motivated threats, with non-traditional tactics increasingly aimed at disrupting key resources and infrastructure in hotspots across the continent.

Rwanda & Eastern DRC

- The United States escalated pressure by sanctioning Rwanda's Defence Force and four senior officials, Vincent Nyakarundi, Ruki Karusisi, Mubarakh Muganga, and Stanislas Gashugi, for their alleged backing of the M23 rebel group in eastern DRC. This support reportedly includes training fighters, direct combat involvement, and facilitating territorial gains in strategic areas like Goma, Bukavu, and Uvira, all in breach of the Washington Accords. Critically, M23 forces captured Uvira just days after the Washington Accords were signed in December 2025, directly causing these sanctions to escalate.
- The sanctions follow evidence of Rwanda's role in a conflict that has displaced millions and targeted mineral-rich zones critical to global supply chains.
- These measures, while not the first U.S. sanctions targeting Rwandan-linked actors over M23 activities, mark a notable escalation in intensity and scope, now extending to the entire Rwanda Defence Force (RDF) and four senior officials, driven by Washington's heightened stake in eastern DRC stability.
- The recent U.S.-DRC Strategic Partnership Agreement secures preferential U.S. access to critical minerals (such as coltan, cobalt, and copper) essential for global tech, defence, and renewable energy supply chains, tying American economic interests directly to de-escalation and secure resource flows.
- This vested interest amplifies pressure on Rwanda to comply with the Washington Accords, as ongoing conflict risks undermining the deal's implementation, deterring investment, and perpetuating disruptions in mineral exports.
- From an economic perspective, M23's territorial gains increasingly entwine armed conflict with international supply chains, underscoring the need for robust AU-led initiatives, infrastructure safeguards, and cross-border mechanisms to mitigate spillovers and rebuild investor confidence in the region.

South Sudan

- South Sudan's fragile peace unravelled further with government-issued forced evacuations in Akobo, displacing thousands as part of "Operation Enduring Peace" targeting SPLM-IO holdouts. This stems from the 2018 peace deal's breakdown, including the detention of opposition leader Riek Machar, and has led to intensified violence, including attacks on humanitarian aid groups and civilian casualties, deepening one of Africa's longest-running humanitarian crises.
- The evacuations not only heighten immediate humanitarian needs, affecting over 280,000 people, but also risk reigniting full-scale civil war, with economic repercussions like halted oil production spilling into neighbouring countries. This underscores governance breakdowns where elite power struggles override stability, necessitating renewed international mediation through bodies like the Intergovernmental Authority on Development (IGAD) to prevent broader regional destabilisation in the Horn.

The Horn of Africa

- Tensions between Sudan and Ethiopia flared anew, with Sudan accusing Ethiopia of conducting drone strikes and harbouring Rapid Support Forces (RSF) training bases amid ongoing border disputes and the Grand Ethiopian Renaissance Dam (GERD) conflicts. These accusations are layered with proxy influences from Gulf states, such as UAE backing for RSF versus Saudi and Egyptian alignments with Sudan's military, raising fears of a wider proxy war.
- External geopolitical meddling amplifies internal weaknesses, endangering key maritime routes like the Red Sea and hindering economic integration efforts. Effective diplomatic balancing is essential, but without AU-facilitated talks, escalation could fragment the Horn further, emphasising the need for neutral mediation to protect trade corridors and foster cooperative resource management.

Niger Military Junta Updates

- Niger's military junta has revoked mining concessions previously granted to three gold mining and processing companies, Comini, Afrior, and Ecomine, citing their failure to meet key contractual obligations. These include paying taxes, submitting annual technical and financial reports, and complying with environmental regulations. The concessions in question were awarded between 2017 and 2020.
- Separately, the junta denied a request by UK-based Savannah Energy to extend its oil exploration and drilling license in the southeast, specifically covering four oil blocks in the Agadem Rift Basin (Niger's main oil-producing region). Authorities accused the company of violating the terms of its production-sharing agreement.

- These actions exemplify the perils of military junta leadership across Africa, where private corporations often become the first casualties of abrupt, authoritarian policy shifts aimed at consolidating power under the guise of resource nationalism. By revoking concessions from companies like Comini, Afrior, Ecomine, and Savannah Energy, Niger's junta not only disrupts established operations but exposes foreign investors to massive risks, including arbitrary seizures, regulatory unpredictability, and potential expropriation without due process, hallmarks of military dictatorships that prioritise regime survival over legal stability or economic partnerships.

Private Sector Implications

- Escalated U.S. sanctions on the entire Rwanda Defence Force, combined with the new U.S.-DRC critical-minerals partnership, elevate compliance and reputational risk for mining and supply-chain operations in coltan, cobalt, and copper corridors.
- Ongoing conflicts in eastern DRC, South Sudan, and the Horn of Africa continue to disrupt mineral-rich zones, oil production, and key trade routes (Red Sea, border logistics).
- Niger’s arbitrary revocation of gold and oil concessions exemplifies high expropriation and regulatory risk under military juntas.

Strategic Recommendations

- Conduct immediate sanctions screening of all regional counterparties and accelerate sourcing diversification; strengthen asset-protection and security protocols in conflict-affected areas; route disputes through international arbitration and reduce portfolio exposure to junta-controlled resource jurisdictions.

Continental Elections

Republic of Congo

- Incumbent President Denis Sassou Nguesso secured a fifth consecutive term, extending his rule of over 42 years, in an election widely anticipated to maintain the status quo.
- The opposition field was notably weakened, with key figures imprisoned or barred from participation, limiting viable challenges to Sassou Nguesso's dominance. Six other candidates competed, but the environment, marked by campaign restrictions, intimidation, and unequal access to state resources, tilted heavily toward the incumbent.
- This outcome exemplifies the alarming rise of authoritarian consolidation across Africa, particularly in oil-rich nations like the Republic of Congo, where entrenched leaders exploit economic patronage and resource wealth to stifle dissent and extend rule. While touted as ensuring investment stability in extractive sectors, the blatant irregularities, voter suppression, and entrenched poverty, impacting over half the population, heighten risks of explosive social tensions and broader continental democratic erosion.

Private Sector Implications

- Incumbent President Denis Sassou Nguesso’s fifth term in the Republic of Congo deepens authoritarian consolidation in an oil-rich state, heightening patronage-linked contract risks and the probability of future social tensions.
- Opposition imprisonment, campaign restrictions, and resource-driven elite control increase exposure to governance erosion and democratic backsliding across similar regimes.
- Entrenched poverty affecting over half the population raises the risk of explosive unrest that could disrupt extractive operations and investment stability.

Strategic Recommendations

- Diversify exposure away from heavily state-tied deals; strengthen local community and stakeholder relations to pre-empt unrest; develop contingency plans for post-election volatility or protest scenarios.

Risk Category	Key Developments (March 2026)	Investor Implications	Risk Level
Regulatory Risk	Zimbabwe Constitutional Amendment (7-year term extension); Guinea junta dissolves 40 opposition parties	Higher likelihood of policy volatility despite continuity; increased risk for long-term capital deployment in governance-fragile states	Elevated

Expropriation Risk	Niger junta revokes gold/oil concessions (Comini, Afrior, Ecomine, Savannah Energy); Guinea asset sequestration	Arbitrary seizures and license cancellations without due process; direct threat to asset ownership and sunk capital	High
Contract Enforcement Risk	Rwanda sanctions on entire RDF; Republic of Congo fifth-term consolidation with opposition barred	Weakened judicial independence and patronage-driven decisions reduce enforceability of mining/oil contracts	Elevated
Sanctions / Compliance Risk	U.S. sanctions on Rwanda Defence Force + senior officials; linkage to U.S.-DRC critical-minerals deal.	Compliance and reputational exposure spikes for any regional supply-chain or mining counterparties.	High
Political Stability / Unrest Risk	Eastern DRC M23 advances; South Sudan forced evacuations; Horn of Africa border/drone tensions; Republic of Congo post-election poverty-driven tensions	Potential for social unrest, forced displacement, and cross-border spillovers disrupting operations and logistics	Elevated

Overall Assessment

- March 2026 developments reflect a continent-wide pattern of increased risk for long-term capital deployment in resource and infrastructure sectors. While leadership continuity in several states offers short-term policy predictability, the underlying institutional erosion and authoritarian consolidation raise the higher likelihood of policy volatility over the 2026–2030 horizon. Investors should treat these risks as inter-linked rather than isolated country events.

Strategic Recommendations

- Embed the above risk categories into corporate political-risk registers and scenario-planning models.
- Prioritise layered political-risk insurance (covering regulatory change, expropriation, and civil disturbance) for any exposure.
- Accelerate portfolio diversification away from single-country, junta-led, or heavily patronage-linked assets.
- Use upcoming SADC Chair (South Africa) and EAC/AU processes as early-warning indicators for subtle shifts in regional tolerance for governance backsliding.

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