



**FRONTLINE AFRICA**  
— ADVISORY —



**AFRICA RISK  
REPORT  
APRIL  
2026**

## Executive Summary

- This month reflected a continent navigating a complex balance best described as “managed volatility.” Short-term external reprieves and incremental institutional progress have created pockets of stability, yet these gains sit atop a deepening foundation of governance erosion and structural vulnerability.
- The most immediate relief came from the fragile U.S.–Iran ceasefire announced on 8 April, which reopened the Strait of Hormuz and eased global oil prices. For African economies, particularly those heavily dependent on fuel imports, this translated into temporary inflation relief, reduced transport costs, and modest fiscal breathing room. However, the truce remains inherently unstable, and the underlying exposure to external energy shocks persists.
- At a regional level, the Southern African Development Community (SADC) delivered meaningful progress through its Technical Barriers to Trade (TBT) processes. By advancing harmonisation in standards, certification, and quality infrastructure, SADC is moving beyond rhetorical integration toward practical trade facilitation, laying groundwork for more efficient cross-border commerce under the African Continental Free Trade Area (AfCFTA).
- Yet these constructive developments are overshadowed by a clear and accelerating trend: authoritarian consolidation across multiple regions. Constitutional manipulation in Zimbabwe, entrenched military rule in Burkina Faso and Madagascar, and tightly managed electoral outcomes in Benin and Djibouti collectively signal a shift away from democratic alternation toward elite continuity. This trend weakens institutional credibility, increases policy unpredictability, and elevates long-term investment risk.
- The African Union’s Peace and Security Council (PSC) continues to demonstrate selective effectiveness, particularly in lower-profile contexts such as the Central African Republic; but remains constrained in high-stakes conflicts shaped by external geopolitical interests.
- In the ultimate analysis, Africa, as of April, is neither deteriorating into crisis nor advancing toward stability. It is operating within a sustained condition of managed volatility, where tactical opportunities coexist with structural risks. Success for both governments and the private sector will depend on the ability to act decisively within this dual reality.

## 2. Regional Integration and Trade: From Policy to Execution



- The 41st meeting of SADC’s Technical Barriers to Trade structures marks a significant, if understated, shift in the region’s integration trajectory. Historically, African regionalism has been characterised by ambitious frameworks with limited implementation. In contrast, the April developments reflected a move toward execution-oriented integration, focused on the technical systems that enable trade in practice.
- Central to this progress is the strengthening of Standardisation, Quality Assurance, Accreditation, and Metrology (SQAM) systems. These mechanisms, often overlooked in high-level policy discussions, form the backbone of cross-border trade. Without harmonised standards and mutual recognition of certification, tariff liberalisation alone cannot facilitate meaningful economic exchange.
- By recommitting to the mutual recognition of testing and certification systems, SADC is addressing one of the most persistent barriers to intra-African trade: non-tariff friction at borders. The implications are tangible. Reduced duplication in testing requirements, shorter border delays, and lower compliance costs can significantly improve the efficiency of regional value chains.
- For the private sector, this signals a gradual but credible shift toward a more integrated regional market. Exporters stand to benefit from streamlined processes, while manufacturers and agro-processors gain access to expanded distribution networks across neighbouring economies. Importantly, firms that align early with evolving standards and quality requirements are likely to secure a first-mover advantage.
- However, the durability of these gains depends on implementation. Persistent constraints, ranging from limited technical capacity to funding shortfalls, continue to slow the translation of policy commitments into operational reality. As such, SADC’s progress should be viewed not as a completed transition, but as an emerging opportunity with execution risk.

## 3. Governance and Political Economy: The Rise of Managed Power

- If regional integration offers cautious optimism, governance trends across the continent point in the opposite direction. April reinforced a growing pattern of institutional regression masked as stability.
- In Zimbabwe, proposed Constitutional amendments aim to extend presidential and parliamentary terms while altering electoral mechanisms in ways that consolidate incumbent power. The process itself, marked by allegations of procedural bias and suppression of dissent, highlights the erosion of democratic norms under the guise of policy continuity.

- Burkina Faso presents an even more explicit departure from democratic governance. The ruling junta's open rejection of democracy as a viable system, coupled with the extension of military rule, signals a broader ideological shift. Framed as a response to security imperatives, this model prioritises regime survival over institutional accountability.
- Madagascar, following its 2025 coup, remains under entrenched military control with no credible pathway back to civilian governance.
- Meanwhile, elections in Benin and Djibouti demonstrate a subtler but equally significant trend: managed political transitions. In these cases, formal adherence to electoral processes masks the systematic exclusion of opposition and the consolidation of power within ruling elites.
- Taken together, these developments reflect a continental shift toward governance models that favour predictability for incumbents over accountability to citizens. While such systems may offer short-term stability, they introduce long-term risks, including weakened institutions, reduced investor confidence, and heightened potential for sudden political shocks.
- For businesses, this translates into a more complex operating environment. Regulatory frameworks become less transparent, policy decisions more politicised, and market access increasingly tied to elite networks. The result is a landscape where opportunity exists but is unevenly distributed and inherently contingent.



## 4. Peace and Security: Selective Effectiveness in a Fragmented Environment



- The African Union's Peace and Security Council (AUPSC) remains a central, if constrained, actor in the continent's conflict management architecture. Its recent engagement with the Central African Republic illustrates its continued relevance in low-geopolitical-intensity environments, where African-led mechanisms retain comparative advantage.
- In such contexts, the AUPSC has demonstrated an ability to facilitate incremental stabilisation through diplomacy, coordination with regional bodies, and sustained engagement.
- However, its limitations become evident in conflicts characterised by significant external involvement. In regions such as Sudan, the Sahel, and eastern Democratic Republic of the Congo, the AUPSC has struggled to assert leadership, often overshadowed by competing international actors.
- This divergence underscores a broader reality: the effectiveness of continental institutions is increasingly shaped by the presence or absence of external geopolitical interests. Where such interests are limited, African mechanisms can operate with greater autonomy and legitimacy. Where they are pronounced, institutional influence diminishes.
- For the private sector, this creates a differentiated risk landscape. Certain markets may benefit from relative stability under regional oversight, while others remain exposed to persistent insecurity and elevated operational risk.

## 5. Energy, Economy and External Exposure

- The temporary easing of global energy prices following the reopening of the Strait of Hormuz has provided immediate, albeit fragile, relief to African economies. Lower fuel costs have helped stabilise inflation and reduce pressure on public finances, offering a short-term boost to economic activity.
- Yet this relief serves primarily to highlight a deeper structural vulnerability: Africa's continued dependence on external energy sources. The experience of recent months has demonstrated how quickly global disruptions can translate into domestic crises, particularly in countries with limited refining capacity and fragile power infrastructure.



- Nigeria's ongoing energy challenges exemplify this dynamic. Despite being a major oil producer, persistent inefficiencies in refining and distribution continue to constrain economic performance. Similarly, Madagascar's recent fuel shortages underscore the acute exposure of smaller, import-dependent economies to external shocks.

- At the same time, renewed investment in renewable energy, supported by international financing initiatives --such as, points to potential opportunities ahead. However, the scale of investment required remains substantial, and progress will depend on the alignment of policy frameworks, infrastructure development, and institutional capacity.
- In this context, the current reprieve should be understood not as a resolution, but as an opportunity window; one that allows governments and businesses to strengthen resilience before the next disruption.

## 6. Social Stability: Rising Domestic Pressures



- Beyond macroeconomic and political dynamics, April also highlighted growing social tensions, particularly in South Africa. The planned nationwide shutdown linked to anti-immigrant sentiment reflects a broader trend of increasing socio-political polarisation, driven by economic pressures, unemployment, and perceptions of resource competition.
- Such developments carry direct implications for the operating environment. Protests and civil unrest can disrupt supply chains, damage assets, and create reputational risks for companies perceived to be aligned with contested issues.
- More broadly, rising social instability serves as a reminder that economic and political risks are deeply interconnected. As governance challenges intensify and economic pressures persist, the likelihood of social disruption increases, further complicating the risk landscape.

## 7. Infrastructure and Investment: Opportunity Amid Constraint

- Despite the challenges outlined above, Africa's long-term growth narrative remains underpinned by significant infrastructure investment. The announcement of approximately \$46 billion in projects across sectors such as transport, energy, and logistics reflects continued momentum in addressing structural gaps.
- These investments, often structured through public-private partnerships, present substantial opportunities for private capital. Key corridors, such as rail networks linking resource-rich regions to ports, have the potential to transform regional trade dynamics.
- However, the realisation of these opportunities is contingent on execution. Governance weaknesses, financing constraints, and political risk continue to pose significant challenges. As such, infrastructure investment in Africa remains characterised by high potential returns coupled with elevated risk.

## 8. Risk Outlook

The current risk environment can be summarised across key dimensions:

Risk Category	Risk Level	Trend (3-6 months)	Key Drivers	Business Impact
Political / Governance	High	Increasing	Authoritarian consolidation, coups, electoral manipulation	Regulatory unpredictability, contract risk
Energy Security	High	Stable (short-term), increasing long-term	External dependence, geopolitical shocks	Cost volatility, supply disruption
Social Stability	Medium-High	Increasing	Unemployment, xenophobia, inequality	Operational disruption, reputational exposure
Regional Integration	Medium	Improving	SADC TBT progress	Trade efficiency, market expansion
Security / Conflict	High	Mixed	Sahel insurgency, Sudan conflict	Elevated insurance, project delays

Economic / Inflation	Medium	Improving (short-term)	Lower oil prices	Temporary margin relief
Infrastructure Execution	Medium–High	Stable	Financing and governance constraints	Delayed returns, project risk
Health / Climate	Medium	Increasing	Extreme weather, disease outbreaks	Workforce and operational risk

## 9. Strategic Imperatives

- Navigating Africa’s current environment requires a dual approach that balances short-term agility with long-term resilience.
- First, organisations should strengthen risk mitigation frameworks, including the use of political-risk insurance and scenario planning. As governance environments become less predictable, proactive risk management becomes essential.
- Second, the current energy reprieve should be used to accelerate diversification strategies. Investments in renewable energy, alternative supply routes, and strategic reserves can reduce exposure to future shocks.
- Third, regional positioning will be critical. Markets benefiting from tangible integration progress, particularly within SADC, offer more stable entry points for expansion. Diversification across multiple jurisdictions can further mitigate country-specific risks.
- Finally, operational resilience must be prioritised. This includes supply chain diversification, contingency planning for social unrest, and alignment with evolving regulatory environments.

**END**

