# CONCEPT NOTE

## TRADE FOR PEACE

**Friday 23rd October 2026, Bahir Dar, Ethiopia**

### Background

Conflicts, particularly in cross-border areas and along economic corridors, undermine prosperity, disrupt markets and weaken trust between communities and institutions. At the same time, limited access to livelihoods and public services can leave young people vulnerable to recruitment by armed groups and organised criminal networks. Regional integration therefore depends on peace, while its benefits cannot be broadly shared without stable political, security and economic conditions.

The African Continental Free Trade Area (AfCFTA), signed in 2018 and operational for trading since 1 January 2021, is not a peace agreement. It cannot replace political settlements, accountable and effective security institutions, or sustained peacebuilding. It may, however, complement these efforts by widening economic opportunity, strengthening cross-border cooperation and promoting more predictable, rules-based institutions.

This side event will examine the practical conditions under which regional integration can support durable peace in fragile and conflict-affected settings. It will move beyond broad claims about a "trade–peace dividend" and focus on feasible pathways, institutional responsibilities, safeguards and implementation choices.

### Context: what the evidence says

Insecurity is costly; hard-security responses alone have not delivered lasting peace, and the evidence for a trade–peace link is suggestive rather than causal.

- **Cost of insecurity:** in some countries, insecurity costs up to 60% of GDP, with persistent instability in at least 24 countries and regional spillovers.
- **Exclusion as a driver:** about 23% of the world's population lives in fragile contexts that hold roughly 76% of global poverty. In Africa, 65% of people are under 35, and women make up about 85% of informal workers.
- **Limits of hard security:** military spending has reached up to 22% of GDP in parts of the Sahel and Lake Chad Basin, and African personnel make up about 75% of peacekeepers worldwide, yet these efforts alone will not secure peace.
- **Trade and fragility:** countries ranking low on the Fragile States Index tend to trade more within and beyond Africa, and borderland conflict constrains cross-border trade. There is no proven causation.
- **Livelihoods:** micro, small and medium-sized enterprises (MSMEs) are estimated to employ around 90% of Africa's working population, and much cross-border trade remains informal.

### Purpose

The panel aims to discuss whether (and how) the AfCFTA can complement peacebuilding in Africa's fragile regions. It will identify where trade and integration instruments add value, where they fall short,

and what coordination is required across trade, development, peacebuilding, and security actors. The central question, therefore, is: can regional integration, particularly the AfCFTA, practically complement peacebuilding in Africa's fragile regions—and under what conditions?

**Scope of the Discussion**

The panel works through four themes; each tied to a pathway in the concept note.

- **Theme A: Inclusive economic opportunity in fragile contexts**
    1. How can lower trade barriers, value addition and regional markets create jobs for youth and for communities in fragile and border areas?
    2. What would make economic opportunity a credible alternative to armed groups and organised crime?
    3. How can economic and trade corridors be built to address fragility and strengthen resilient economies?
    4. How do AfCFTA regulatory, transparency and border-cooperation requirements give countries a peaceful channel for economic grievances and help curb illicit cross-border flows?

- **Theme B: Linking trade, development, peacebuilding and security**
    1. How should trade, development, peacebuilding and regional security processes be connected rather than run in parallel?
    2. What role should UNDP play as a trusted partner to Africa's development agenda?

**Objectives**

- Assess the practical conditions under which the AfCFTA and wider regional integration can complement peacebuilding in Africa's fragile and conflict-affected regions.
- Identify inclusive trade, livelihood and cross-border cooperation pathways that can expand opportunities for youth, women, MSMEs and border communities while strengthening resilience and reducing incentives for conflict and organised crime.
- Generate practical recommendations for coordinating trade, development, peacebuilding and security actors, including appropriate institutional responsibilities, safeguards and implementation priorities.

**Expected Outcomes**

- A stronger shared understanding among policymakers, development partners and the private sector of how inclusive implementation of the regional integration agenda, including the AfCFTA, can complement peacebuilding and resilience efforts.
- Practical policy recommendations to ensure regional integration delivers tangible benefits for all and creates stronger economic incentives for cooperation and stability.

**Format**
The Policy and Expert Roundtable will allow key speakers to provide a 15-minute input on the topic, after which the moderator will facilitate a discussion that incorporates participants' views and engages the speakers.

**Duration**
2 hours

**Language**
English