Policy BRIEF

CONFERENCE EDITION

HORN OF AFRICA SECURITY DIALOGUE 2026

Navigating Regional Resilience and Security in an Era of Declining International Aid

March 12-13, 2026

By the HORN Institute

EXECUTIVE SUMMARY

This policy brief is informed by the proceedings of the Horn of Africa Security Dialogue 2026, which was convened on 12–13 March 2026 at the Radisson Blu Hotel, Nairobi. The Conference was jointly organised by the HORN International Institute for Strategic Studies and the Konrad-Adenauer-Stiftung (KAS) Regional Programme Security Dialogue for East Africa under the theme "Navigating Regional Resilience and Security in an Era of Declining International Aid". Bringing together senior policymakers, representatives of regional and international multilateral organizations, security and humanitarian practitioners, diplomats, academics, and civil society actors from across the Horn of Africa and the Great Lakes region, the Conference addressed the question of sustaining peace, security, and humanitarian response as the architecture of international financing undergoes a fundamental and potentially permanent transformation. Kenya's Principal Secretary for Foreign Affairs, Dr Abraham Korir Sing'Oei, delivered the keynote speech.

The consensus of the conference is that the current disruption and decline in peace financing globally is not a temporary contraction in donor generosity but a structural transformation of the global aid and security system. The United States of America (US) reduced its foreign assistance budget by approximately 38 per cent in 2025, from USD 61.8 billion to USD 38.4 billion. European Union (EU) member states enacted reductions of between 10 and 18 per cent. Of the USD 8.6 billion requested for humanitarian response across the Horn in 2025, only 34 per cent approximately USD 2.9 billion was received. The Horn of Africa region that hosts a quarter of the world's 108 million forcibly displaced persons must now operationalize sustainable and internally financed security frameworks, to give meaning to the phrase "African solutions to African problems". The African Union (AU) Peace Fund is such an initiative. With a combined GDP of USD 3.7 trillion, an estimated USD 320 billion in recoverable resources from government waste and illicit financial outflows, its diaspora networks, its private sector, and its traditions of religious giving, Africa's resource base is vastly under-mobilised. Weak political will to mobilise such resources is thus the binding constraint. As a way forward, African governments should honour existing AU financial commitments and eliminate chronic arrears; fully and immediately implement the UNSC Resolution 2719 to unlock sustainable UN financing for AU-led peace operations; and adopt the AU Peace Fund Accra Committee reforms to diversify peace financing toward a hybrid model which incorporates private sector, civil society, and diaspora contributions.

BACKGROUND

For more than two decades, the peace and security architecture of the Horn of Africa and the Great Lakes region has operated upon a structurally unsustainable

> The United States of America (US) reduced its foreign assistance budget by approximately **38 per cent** in 2025, from **USD 61.8** billion to **USD 38.4** billion

www.horninstitute.org
www.kas.de/sipodi-east
KONRAD ADENAUER STIFTUNG
HORN INTERNATIONAL INSTITUTE FOR STRATEGIC STUDIES

assumption of sustained, generous, and unconditional external financing. The United Nations (UN) peacekeeping operations in the region: in Sudan, South Sudan, the Democratic Republic of Congo, Somalia, and the Central African Republic, operate on annual combined budgets exceeding USD 6 - 7 billion. The overwhelming majority of financing for these budgets is derived from external contributions.

Global financing mechanisms have however undergone disruptions since the 2020 Covid Pandemic, break out of the conflict in Ukraine and the 2025 US foreign assistance reductions, demonstrating a longer-term trend that had already been underway. From rising domestic political pressures in donor capitals, the fiscal after-shocks of the 2008 global financial crisis, three years of COVID-19 pandemic expenditure, and the re-emergence of negative nationalism, the attendant ideological shifts across the Western world have weakened liberal international order and multilateral arrangements, and subsequently global peace financing commitments. This has exposed conflict-affected regions hitherto dependent on donor funding as the Horn of Africa, which hosts approximately 26.3 million forcibly displaced persons, comprising some 5.6 million refugees and asylum-seekers and 20.7 million internally displaced persons. It is against this backdrop, that the Horn of Africa Security Dialogue 2026 was convened to identify the concrete steps required to adjust to the global shifts and sustain peace and humanitarian interventions in the region.

KEY FINDINGS

Key Finding 1: A Structural Transformation

The current decline in international aid is a structural transformation of the global security and development architecture, rather than a cyclical or temporary adjustment. This new reality determines the urgency with which African governments and institutions must act, and it forecloses the possibility of waiting for a return to pre-existing donor generosity. The 2025 US foreign assistance reductions, a cut from USD 61.8 billion to USD 38.4 billion, for example, represents approximately 38 per cent of its foreign aid budget (USAID, 2025) as the EU member states' reductions range between 10 -18 per cent (OECD, 2025). The result, is the receipt of only 34 per cent approximately USD 2.9 billion of the USD 8.6 billion requested for humanitarian response in the Horn in 2025 (OCHA, 2025), the most dramatic single-year cut in recent history.

The peace and humanitarian funding deficits and cuts have deep structural roots: the fiscal after-shocks of successive global crises, the political rise of domestic-priority nationalism across major donor capitals, and the ideological displacement of internationalist solidarity by a fragmented and civilisational approach to global challenges.

Key Finding 2: The Aid Collapse is a Security Crisis

The global collapse of humanitarian and peace funding is a security crisis; when humanitarian systems collapse, community behaviour shifts from coping to survival, and survival strategies directly feed instability, violence, and radicalisation (UNDP,2023;World Bank, 2024). In the Horn of Africa, there are three distinct and interlinked channels through which such vulnerabilities manifest: the first, is the militarisation of pastoralism as cross-border cattle raiding has been transformed into an armed survival economy (IGAD, 2024; Mercy Corps,2023) as observed along the Kenya-Ethiopia-Somalia tri-border The cross-border peace committees that historically managed these tensions have been disbanded because the humanitarian and peacebuilding budgets that sustained them have been eliminated (OCHA, 2025).

The second is the deliberate exploitation of humanitarian gaps by violent extremist organisations (VEOs) such as Al-Shabaab and ISIS-Somalia. The relationship between aid collapse and extremist recruitment is not incidental but operational: VEOs systematically fill spaces vacated by collapsing humanitarian systems, offering food, belonging, and purpose to displaced and unemployed young people (UNDP, 2023). Al-Shabaab's control of the charcoal trade across northern Kenya and southern Somalia illustrates the concrete mechanism by which humanitarian failure directly finances insurgency. By contrast, the Jubaland model — where fifteen years of sustained

> ... state leaders in Africa are increasingly preferring Private Security Companies (PSCs) to AU or UN-mandated forces, thereby challenging traditional peacekeeping models

development investment have built communities actively resistant to Al-Shabaab recruitment demonstrates that development is an effective counter-terrorism strategy (IGAD, 2024).

The third is urban displacement and a largely invisible protection crisis. As conditions in camps and rural areas deteriorate, refugees and internally displaced persons are moving into cities — Nairobi, Kampala, Addis Ababa, Mogadishu without documentation, without services, and without protection, competing with urban populations for housing and livelihoods (UNHCR,2025; IOM, 2024). They arrive disoriented, often in hiding, and become targets for exploitation, trafficking, and radicalisation. This secondary movement from camp to city is not captured in displacement statistics, is not served by existing programmes, and is not adequately monitored (IOM, 2024). It represents a protection crisis that is only beginning to reveal its full dimensions.

Key Finding 3: The AU's Peace and Security Architecture is Sound but Weak Political Will Remains the Binding Constraint

The Horn of Africa's regional peace and security architecture does not suffer from a design deficit. The African Union Constitutive Act already provides for intervention in member states without host-government consent under specific conditions — genocide, war crimes, and grave threats to order — going further than the UN Charter in its normative commitment to non-indifference (AU Commission, Art. 4(h)). UN Security Council Resolution 2719, adopted in December 2023, establishes a framework under which the UN may finance up to 75 per cent of AU-led peace support operations through assessed contributions a potentially transformative mechanism for the predictability and sustainability of African-led operations (UNSC, 2023). The Africa Standby Force exists, is trained, and has regional components on standby for deployment (AU Peace and Security Department, 2024). The 0.2 per cent import levy mechanism for financing the AU has the theoretical potential, if honoured, to generate sufficient resources for the institution's core requirements (African Union, 2023).

However, the binding constraint is weak political will, as member states commit to financial obligations and persistently fail to meet them, generating chronic arrears that render sustained planning, deployment, and operations functionally impossible. This gap between institutional design and political practice is illustrated across three concrete failures. First, UNSC Resolution 2719 exists and has not been utilised. Second, for example, the Africa Standby Force was not activated when the Sudan conflict erupted in April 2023, notwithstanding Kenya's explicit advocacy for early deployment. Had the Force been deployed at the outset, the conflict — which has evolved into one of the most severe humanitarian catastrophes of the twenty-first century — might have been meaningfully contained. Third, and relatedly, the AU's Continental Early Warning System detected the risk of conflict escalation in Mozambique before it occurred; however, no meaningful steps were taken on the basis of that warning. Consequently, the critical link between detection and response — the essential purpose of any early warning system — remains broken.

Further, state leaders in Africa are increasingly preferring Private Security Companies (PSCs) to AU or UN-mandated forces, thereby challenging traditional peacekeeping models. PSCs offer regime protection without demanding elections, accountability, or governance reform (Africa Center for Strategic Studies, 2024); consequently, a head of state concerned with political survival will choose an actor that protects the presidential palace over one that insists on discussing electoral processes and civilian protection standards. As such, the breakdown of the region's peace and security architecture is not only a financing problem but also a governance and accountability problem that requires a pragmatic institutional response. The East African Community Regional Force's deployment to the DRC serves as a cautionary precedent: the conceptual design diverged significantly from operational ground realities, and the absence of centralised command and control prior to deployment constrained the mission's effectiveness from the outset.

Key Finding 4: The AU Peace Fund is Necessary

The AU Peace Fund represents the most substantive effort to date to construct a sustainable, African-owned financing mechanism for peace and security operations (AU Peace Fund Secretariat, 2024). The Fund's structural challenge is that

> The **0.2 per cent** import levy mechanism for financing the AU has the theoretical potential, if honoured, to generate sufficient resources for the institution's core requirements

UNMISS alone requires a budget of approximately **USD 1** billion per year, while AUSSOM's budget is almost **USD 600** million; both missions outstrip the AU Peace Fund's target of **USD 600** million

it is designed as an endowment instrument — a capital base that accumulates and generates returns over a long period of time — while the missions it is intended to finance operate on annual budgets that substantially exceed its projected trajectory (African Union, 2024). UNMISS alone requires a budget of approximately USD 1 billion per year, while AUSSOM's budget is almost USD 600 million; both missions outstrip the AU Peace Fund's target of USD 600 million, which falls below the cost of a single mission. The AU's stated ambition of financing 25 per cent of its peacekeeping mission budgets means that, at current trajectory, the Fund will require decades to approach even 50 per cent self-sufficiency.

Nonetheless, the Accra Committee proposals of 2024 represent a genuine and commendable effort to address these structural limitations. The Committee's vision includes growing private sector contributions from approximately 6 per cent to approximately 36 per cent of Peace Fund contributions — through the engagement of African civil society, philanthropic foundations, and commercial actors — representing a meaningful structural shift from pure government dependency toward a diversified financing base. The mechanism of a 0 to 2 per cent levy on member state imports, originally proposed under the Kaberuka financial reforms, remains the most viable existing pathway to building the required endowment, and the proposed reforms include strengthened governance through independent oversight, professional management, and transparency standards to address the documented problem of Fund disbursements being disproportionately directed toward operational stipends rather than strategic programming.

There are three realistic scenarios for the Fund's trajectory: (i) full financial autonomy through sustained and enforced member state contributions - this is achievable in principle but has not materialised politically at the required level; (ii) a hybrid model combining UN assessed contributions, AU facility resources, and diversified private and civil society contributions is the most realistic near-term pathway, producing a larger operational base than the AU can achieve independently while preserving meaningful African ownership over the process and the agenda; and (iii) the status quo of chronic underfunding and non-compliance, which represents a trajectory toward permanent dependence on external goodwill that is demonstrably and measurably declining. The choice between these scenarios is, at its core, a political choice about the degree of investment member states are prepared to make in their own collective security.

Key Finding 5: Poor Resource Mobilization and Management

Research has demonstrated that the cumulative annual waste across African governments — in procurement, travel, administrative inefficiency, and corruption — amounts to approximately USD 100 billion per year (African Development Bank,2023). Separately, approximately USD 220 billion is repatriated annually from Africa by multinational corporations through tax avoidance and illicit financial flows (Global Financial Integrity, 2023; UNCTAD, 2023). Together, these represent approximately USD 320 billion in recoverable resources more than sufficient to fund the entire AU budget, all active peacekeeping missions, and the current humanitarian response gap across the region. The money is present but the political will to capture it is not.

Beyond the public sector, there are several systematically under-mobilised resource streams. Africa's diaspora communities represent substantial financial, intellectual, and social capital that has not been strategically engaged for peace and security financing. Religious institutions — churches, mosques, temples, and faith communities are frequently the first responders in crises, operating in areas where international agencies cannot function and with community trust that international agencies cannot replicate.

Religious giving within and across the continent represents a significant and largely uncoordinated financing stream that, with appropriate institutional engagement, could meaningfully supplement formal humanitarian response. Private sector actors exemplified by Equity Bank Kenya's existing provision of financial services to refugees and displaced populations represent a replicable model for drawing commercial actors into the humanitarian financing ecosystem. Africa's high-net-worth individuals in Kenya, Nigeria, Zimbabwe, and South Africa, and its growing entrepreneurial and philanthropic class, have not been systematically engaged by peace and security institutions. The conference called for this to change.

CONCLUSION

The Horn of Africa Security Dialogue 2026 delivered a rigorous assessment of a structural shift in the global order. The decline in international aid financing is permanent, the humanitarian response gap is acute, and the institutions designed to sustain regional peace and security lack the political will required to function at the level their design permits. Yet Africa is not without resources or frameworks: a combined GDP of USD 3.7 trillion, USD 320 billion in recoverable annual resources, established normative instruments from the AU Constitutive Act to UNSC Resolution 2719, and communities already demonstrating resilience provide the foundation for a credible African response. What is absent is not capacity but political commitment.

RECOMMENDATIONS

For National Governments:

- **Honour existing financial commitments to the AU and eliminate arrears:** The chronic failure to meet AU financing commitments is a political choice, not a technical limitation. Governments must treat these obligations as binding, subject to enforceable compliance mechanisms and publicly reported progress benchmarks.
- **Expand the AU Peace Fund to USD 1 billion:** As championed by Kenya under President Ruto's AU institutional reform mandate, member states should commit to expanding the AU Peace Fund from its current endowment toward USD 1 billion, utilising the existing 0.2 per cent import levy mechanism, with the political will to resolve persistent arrears and enforce consistent contribution compliance.
- **Address illicit financial flows and reduce governmental waste:** The combined USD 320 billion in annual government waste and illicit outflows by multinational corporations exceeds all external aid to the region. African governments should prioritise stronger tax enforcement, anti-corruption measures, and public financial management reform, with a portion of recovered resources ring-fenced for peace and security financing.
- **Replace the encampment model with inclusion frameworks:** Granting refugees the right to work, freedom of movement, and access to land is a political choice rather than a capacity constraint. Governments across the region should adopt inclusive legal and policy frameworks, consistent with the EAC free movement commitments, that treat displaced persons as rights-bearing individuals — reducing aid dependency and host community tensions simultaneously, following the Uganda and Kenya Shirika Plan models.
- **Invest in prevention rather than military hardware:** Global peace expenditure amounts to 0.6 per cent of global military expenditure. African governments should resist the trend toward prioritising military procurement over conflict prevention, early warning, and community resilience infrastructure, which deliver substantially greater long-term returns on stability investment.
- **Institutionalise women's participation as a structural requirement:** The lessons of peace processes from South Sudan to the DRC are unambiguous: agreements negotiated without the meaningful inclusion of women at all levels lack the community legitimacy required for durable implementation. Women's participation must be embedded in the standing rules of procedure governing all peace and mediation processes from the outset, not treated as an optional supplement.
- **Establish humanitarian logistics hubs within Africa:** The closest UN humanitarian response depots remain in Dubai and Brindisi, Italy — a dependency that is both logistically inefficient and strategically vulnerable given the current geopolitical environment. Nairobi, Kampala, and Accra are well-positioned to host regional logistics hubs that would reduce response times, build durable continental capacities, and establish Africa's strategic independence in humanitarian operations.

For Regional Bodies (AU, IGAD, EAC, and RECs):

- **Implement UNSC Resolution 2719 without further delay:** The December 2023 Resolution provides a framework for the UN to finance up to 75 per cent of AU-led peace support operations through assessed contributions. It exists, it has not been utilised, and its full implementation would be transformative for the predictability and sustainability of African-led peace operations.
- **Rebuild the link between the Continental Early Warning System and early action:** The AU detected conflict risk in both Mozambique and Sudan before escalation occurred. No preventive action was taken in either case. The CEWS is being progressively defunded at precisely the moment its function is most needed. Restoring its operational capacity — and, critically, establishing the institutional political appetite to act upon its assessments — is an urgent priority.
- **Build and deploy the Africa Standby Force — resolve the structural barriers:** The ASF currently cannot deploy without a UN Security Council resolution; no agreed common command doctrine exists; and contribution arrangements remain donor-dependent. These are political problems, not technical ones. The AU should pursue a permanent UNSC seat, establish a common command doctrine, and develop a dedicated financing stream for rapid deployment capacity.
- **Implement the AU Peace Fund Accra Committee reforms:** The hybrid financing model — combining UN assessed contributions, AU facility resources, and diversified private and civil society contributions — is the most realistic near-term path forward. Increasing private contributions from 6 to 36 per cent requires immediate implementation of the Accra Committee proposals, independent governance structures, and transparent auditing arrangements.
- **Clarify REC mandates through the complementarity and subsidiarity principle:** IGAD, the EAC, and other Regional Economic Communities were established to promote regional integration — not to deploy military forces. Expecting them to fill security enforcement gaps without appropriate mandates, capabilities, or political authorisation creates the conditions for institutional failure. The AU complementarity and subsidiarity principle must be operationalised through political agreements that assign clear and realistic roles to each body.
- **Develop a transparent AU framework for state-contracted military capacity:** State-to-state military contracting arrangements are already prevalent across Africa, typically conducted through intelligence budget lines outside parliamentary oversight. A transparent, AU or REC-governed framework that subjects these arrangements to public reporting and accountability is substantively preferable to the current shadow market and would build rather than undermine institutional legitimacy.
- **Harmonise and prevent duplication of regional security mechanisms:** The current proliferation of parallel early warning systems, rapid reaction capacities, and mediation mechanisms across overlapping RECs represents a significant diversion of scarce resources. The AU should negotiate the political agreements necessary to rationalise these structures and concentrate investment in the most effective and appropriate institutions.

For International Partners:

- **Recognise peace operations as global public goods, not development aid:** External contributions to African peace and security operations are not charitable transfers — peace in Africa benefits the entire international community. The conceptual shift from aid dependency toward shared investment in global public goods should inform how international partners negotiate, condition, and account for their contributions to regional stability.
- **Preserve humanitarian independence from political conditionality:** The reallocation of humanitarian assistance on the basis of political rather than needs-based criteria — as evidenced by the exclusion of Somalia from US reallocation lists in 2025 despite acute drought conditions — represents a fundamental breach of humanitarian principles. International partners must recommit to needs-based allocation and resist the instrumentalisation of humanitarian funding for foreign policy objectives.

- **Shift the balance from kinetic to preventive investment:** Prevention is demonstrably and substantially less costly than conflict response. International partners should rebalance assistance toward community resilience, P/CVE programming, agricultural investment, and institutional capacity-building. The Jubaland model demonstrates what fifteen years of sustained development investment can produce in terms of community resistance to violent extremism.
- **Commit to multi-year grant cycles that build durable systems:** The structural contradiction of demanding long-term solutions while financing only six-month projects is well understood across the humanitarian and peacebuilding sector. International partners should move to multi-year funding commitments that enable implementing organisations to build the durable infrastructure, staffing, and community relationships that sustainable programmes require.
- **Support African-led research and knowledge systems:** The funding reductions eliminating operational capacity are simultaneously eliminating the research and analytical capacity that makes interventions effective and efficiently targeted. Africa requires a self-funded research agenda that answers African questions rather than donor questions. International partners should support institutions such as the HORN Institute, ISS, and the Africa Policy Institute as part of a broader investment in African knowledge sovereignty.

For the Private Sector, Diaspora Communities, and Civil Society:

- **Engage the private sector substantively in peace and security financing:** Africa's financial institutions, high-net-worth individuals, and commercial actors have not been systematically engaged for peace and security financing. Equity Bank Kenya's existing provision of financial services to refugee and displaced populations is a replicable and scalable model. The AU and RECs should convene private sector actors to explore shared vulnerability, shared strategic interest, and practical financing vehicles and instruments.
- **Coordinate religious giving as a humanitarian financing stream:** Faith institutions are frequently the first responders in crises, reaching communities where international agencies cannot function and with community trust that formal organisations cannot replicate. Better institutional coordination of religious giving — without compromising its essential character — could meaningfully supplement formal humanitarian response at a fraction of the transaction cost of formal mechanisms.
- **Build coalitions rather than atomised organisations:** Think tanks, civil society organisations, and NGOs operating in isolation cannot sustain themselves through the permanent reduction in external financing. The future belongs to coalitions that pool resources, share platforms, coordinate advocacy, and present themselves to funders and policymakers as larger, more impactful, and more influential entities. The HORN Institute and KAS collaboration itself exemplifies the model of institutional partnership that must become the norm.
- **Invest in youth political agency and technology capacity:** Young people are not spectators in the region's security and development challenges — they are its most significant untapped strategic asset. Civil society must invest in building the bridge between expert policy dialogue and organised grassroots political agency. Simultaneously, young professionals working on artificial intelligence, drone technology, and digital security should be integrated into peace and security institutions as an immediate operational priority, not a future aspiration.

This policy brief is a product of a conference organized by HORN International Institute for Strategic Studies in partnership with Konrad Adenauer Stiftung's Regional Programme Security Dialogue for East Africa

KONRAD
ADENAUER
STIFTUNG

Plot 24 Hill Lane Kololo • Kampala, Uganda
sipodi.east@kas.de | www.kas.de/sipodi-east

HORN INTERNATIONAL INSTITUTE FOR STRATEGIC STUDIES

Durham Road • Kileleshwa, Nairobi
+254 720 323 896/735 323 896 | info@horninstitute.org
@HISS2017 | @Horninstitute | www.horninstitute.org