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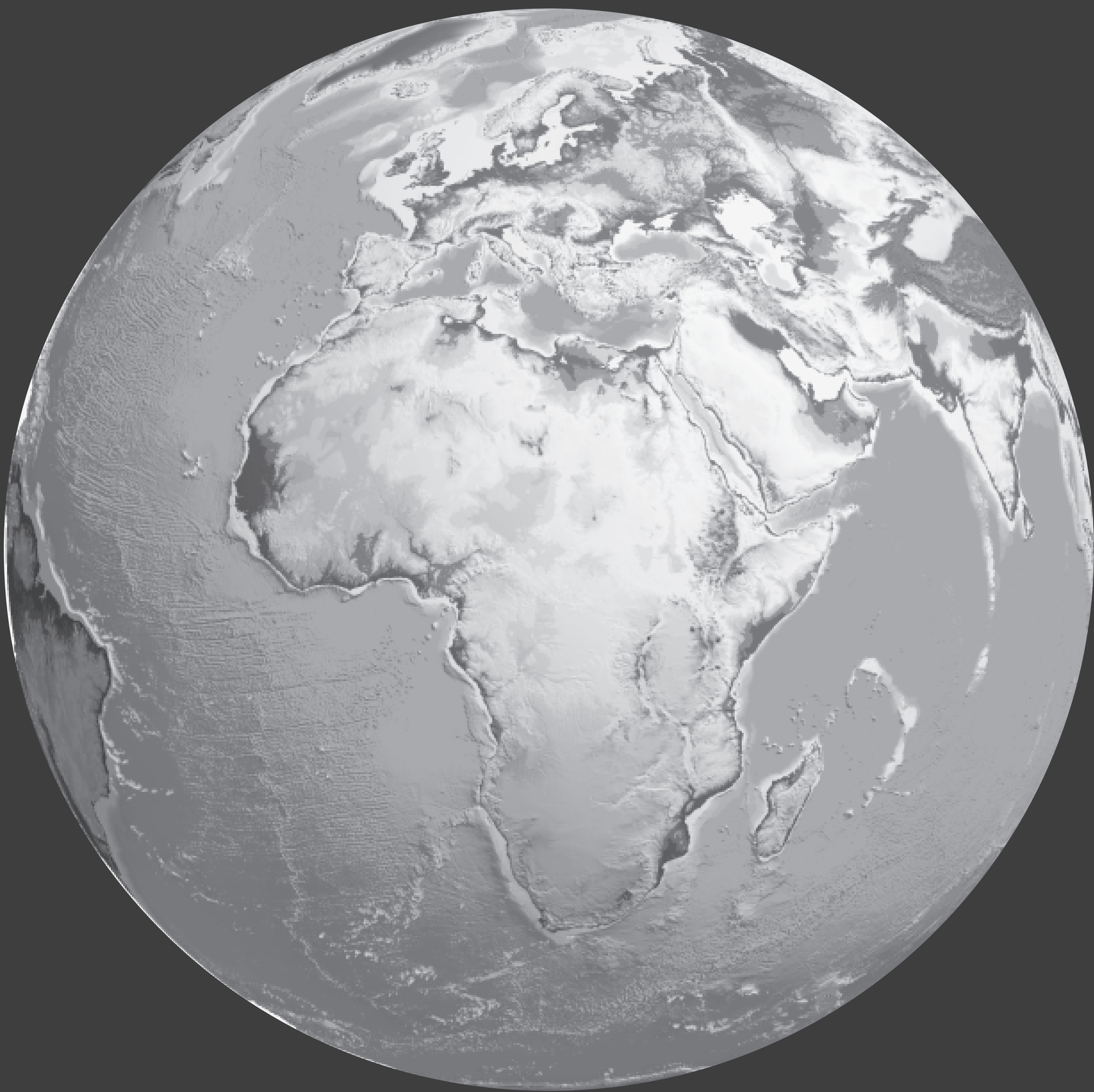

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Editor’s Note

This issue of *Africa Trends* brings together critical perspectives on Africa's evolving political economy, security landscape, and development pathways amid rapid global and regional transformations. The cover story by Mr. Mohanasakthivel J assesses the 2025 G20 Summit under South Africa's presidency, highlighting Africa's growing role in global governance and the continued gap between recognition and structural reform. Shifting to geopolitics and strategic alignments, Ms. Nandini Khandelwal analyses the Russia-Ethiopia nuclear partnership within the context of Ethiopia's BRICS engagement and energy diversification strategy. Mr. Devendra Kumar examines the Sudan conflict through the lens of the UAE's strategic involvement, highlighting its implications for humanitarian conditions and regional instability. Complementing this, Ms. Meghna Pradhan explores Africa's cryptocurrency boom, drawing attention to its intersection with organised crime and terror financing. The issue concludes with Ms. Sharvari Patil's review of *Understanding Maritime Security*, emphasising the growing importance of maritime and non-traditional security challenges. Collectively, these contributions highlight Africa's agency in a shifting multipolar order while underscoring the need for governance frameworks that balance innovation, sovereignty, and security.

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Cover Story

THE G20 IN SOUTH AFRICA: OUTCOMES AND ASSESSMENT

The 2025 G20 Summit under South Africa's presidency marked a pivotal moment in contemporary multilateralism, highlighting Africa's growing role in global governance. Building on successive Global South presidencies, the summit foregrounded debt distress, climate vulnerability, and critical mineral governance within a fragmented geopolitical context. While the adoption of a leaders' declaration demonstrated diplomatic success, outcomes remained largely incremental, with limited structural reform in global financial and trade architectures. The summit exposed a key paradox, normative recognition of developing country concerns without substantive redistribution. Ultimately, it underscored both the persistence of multilateralism and the need for deeper institutional transformation to address systemic inequalities.

Mohanasakthivel J *

Introduction

The G20 Summit held on 22–23 November 2025 under the presidency of South Africa marked a significant moment in the evolution of contemporary multilateralism. As the first African country to host the G20, it also concluded an unprecedented sequence of Global South presidencies Indonesia (2022), India (2023), Brazil (2024), and South Africa (2025). This continuity elevated the visibility of Southern developmental concerns within a forum traditionally shaped by advanced industrial powers. South Africa's G20 presidency carried both symbolic and substantive significance: symbolically, it reflected Africa's enhanced institutional presence following the African Union's inclusion as a permanent G20 member; substantively, it offered an opportunity to consolidate the developmental and reform-oriented agenda advanced by earlier Global South presidencies.

South Africa's G20 presidency carried both symbolic and substantive significance...

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Held under the theme "Solidarity, Equality and Sustainability," the summit foregrounded issues of distributive justice, developmental asymmetries, and climate vulnerability. These priorities unfolded within a deeply fractured global context shaped by the Russia–Ukraine war, the Gaza conflict, intensifying U.S.–China rivalry, mounting debt distress, climate-related disruptions, and widening inequality. Unlike the relatively cohesive period following the 2008 global financial crisis, the current geopolitical environment is marked by contestation, making consensus increasingly difficult within multilateral forums.

This fragmentation was reflected in the absence of several major leaders, including those from the United States, China, and Russia.[1] Yet, despite these constraints, the South African presidency secured a leaders' declaration, demonstrating notable diplomatic management. [2] The summit thus highlighted a central paradox of contemporary multilateralism: while geopolitical divisions are deepening, institutional forums continue to endure as necessary platforms for negotiation, signalling, and limited coordination. Against this backdrop, South Africa advanced four key priorities, each closely aligned with Africa's developmental needs and long-standing structural constraints.

Debt and Climate-Energy Resilience: Closing the Reform Gap

Among the most pressing priorities advanced by South Africa during its G20 presidency was debt sustainability, particularly for low-income and vulnerable economies, many of them in Africa. The urgency of this issue cannot be overstated. Africa's external debt has crossed approximately US$1.3 trillion, with nearly 40 percent owed to private creditors. Africa carries a relatively small share of global public debt less than 2 per cent despite being one of the regions most affected by debt vulnerabilities. However, this aggregate figure masks the severity of the burden at the country level. A significant proportion of African economies face elevated debt stress, with 23 countries in the region recording public debt levels above 60 per cent of GDP.[3] Over the past decade, the composition of debt has shifted from concessional multilateral lending to commercial instruments such as Eurobonds, syndicated loans, and market-based financing. This structural shift has significantly increased borrowing costs and exposure to global interest rate volatility.

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Several interconnected factors have driven the current debt distress. First, many African economies remain heavily dependent on commodity exports. Revenue volatility caused by fluctuating global prices generates recurrent fiscal gaps, compelling governments to borrow at increasingly high rates. Second, the transition from Paris Club and multilateral financing toward private creditors, often hedge funds, pension funds, and asset managers has complicated restructuring efforts. Unlike traditional sovereign lenders, private bondholders are less amenable to coordinated relief mechanisms.[4]

African governments collectively spend ~ US$90 billion annually on debt servicing alone, constraining investment in health, education, infrastructure and climate adaptation.

Third, debt servicing has begun to crowd out development expenditure. African governments collectively spend ~ US$90 billion annually on debt servicing alone, constraining investment in health, education, infrastructure and climate adaptation. Fourth, multiple global shocks including the COVID-19 pandemic and the Russia–Ukraine conflict triggered spikes in food, fuel and fertilizer prices, further worsening fiscal balances.[5] Finally, protracted restructuring processes have exposed the inefficiency of current mechanisms. Zambia's drawn-out restructuring negotiations serve as a case in point.[6]

The South African declaration acknowledged debt as a structural constraint on development and endorsed instruments such as crisis resilience clauses and debt-for-climate swaps. However, the reform measures remain incremental rather than systemic. The Common Framework continues to suffer from coordination challenges between traditional lenders and new bilateral creditors. Importantly, there was no commitment to large-scale debt cancellation or to reimagining sovereign credit rating methodologies an issue frequently criticised by developing economies for their pro-cyclical downgrades.[7] Between 2000 and 2020, inflated risk assessments by credit-rating agencies cost 16 African nations US$74.5 billion in additional interest payments.[8]

Between 2000 and 2020, inflated risk assessments by credit-rating agencies cost 16 African nations US$74.5 billion in additional interest payments.

Climate and energy resilience formed the other major pillar of the presidency. Africa contributes less than 4 percent of global greenhouse gas emissions yet bears a disproportionate burden of climate impacts droughts, floods, cyclones and food insecurity. The continent requires an estimated billion US$143 to $277 billion annually for mitigation and adaptation but receives only a fraction of that amount in climate finance.[9]

The declaration reaffirmed commitments to triple global renewable energy capacity, double energy efficiency gains, and support biodiversity frameworks such as the Kunming–Montreal Global Biodiversity Framework. Notably, it gave greater visibility to "loss and damage" financing, a long-standing demand of developing countries. However, once again, the financing architecture remained underspecified. Without predictable and scaled-up financial flows, climate commitments risk remaining rhetorical. The debt–climate nexus further complicates the picture. Climate shocks deepen fiscal vulnerabilities, while debt distress constrains adaptation capacity. Addressing one without reforming the other produces limited impact. South Africa's presidency succeeded in placing both issues centrally on the G20 agenda, but structural transformation of the global financial architecture remains elusive. The summit thus reflected a pattern of normative recognition without commensurate redistribution.

Africa's Resource Opportunity and Structural Risks

One of the more distinctive features of South Africa's G20 presidency was its attempt to connect critical minerals, industrialisation and resilience within a broader developmental framework. This was important because the current global transition toward green energy, digital technologies and advanced manufacturing has sharply increased demand for minerals such as cobalt, lithium, manganese, copper, graphite and rare earth elements. Africa occupies a central place in this emerging political economy. The continent holds nearly 30 percent of the world's known critical mineral reserves, making it indispensable to future supply chains.

Yet resource abundance has rarely translated into structural transformation in Africa. Historically, African economies have remained locked into the export of raw materials with limited domestic beneficiation, weak technological transfer and poor value addition. South Africa sought to address this challenge by pushing the G20 to acknowledge that producer countries must not remain mere extraction zones in the global green transition. The declaration recognised the developmental potential of critical minerals and introduced a voluntary framework that emphasised transparency, producer-country rights and community-centred governance. This was significant because it signalled a departure from viewing minerals only through the lens of supply security for advanced economies.

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However, the limitations are equally clear. The framework is non-binding, and its language remains general. It does not create enforceable obligations on technology sharing, local processing, downstream value addition or industrial finance. As a result, the risk remains that the present scramble for critical minerals may simply reproduce the older extractive model in a greener form. In this sense, South Africa's emphasis on industrialisation was politically important. Indeed, this was perhaps the first G20 summit to refer to industrialisation so explicitly. But the problem, as raised in the discussion around the summit, is that industrialisation cannot be achieved merely by naming it.

The central structural issue is that much of the Global South lacks the necessary policy space for industrialisation. Existing trade and investment rules through disciplines related to subsidies, local content requirements, technology transfer and investor-state dispute settlement limit the very tools that today's advanced economies historically used to industrialise. In practice, this means that while developed countries increasingly pursue state-led industrial strategies, as seen in measures such as the U.S. Inflation Reduction Act and CHIPS Act, developing countries are often expected to remain bound by restrictive rules inherited from the neoliberal era.[10] This contradiction is why South Africa missed an opportunity to more emphatically revive elements of a New International Economic Order framework. Without reforming the global economic architecture, calls for African industrialisation risk becoming rhetorical.

This concern is reinforced by the enduring danger of Dutch disease. African economies have repeatedly experienced boom-and-bust cycles tied to commodities oil in Nigeria and Angola, copper in Zambia and the DRC, cocoa in Ghana and Côte d'Ivoire, and gas in Mozambique. Heavy dependence on one or two export sectors often generates currency appreciation, weakens manufacturing competitiveness and entrenches resource-led specialisation.[11] Critical minerals could become another chapter in this pattern unless they are integrated into broader industrial policy.

African economies have repeatedly experienced boom-and-bust cycles tied to commodities oil in Nigeria and Angola, copper in Zambia and the DRC, cocoa in Ghana and Côte d'Ivoire, and gas in Mozambique.

South Africa also advanced disaster resilience and response as a priority, linking climate vulnerability to development and state capacity. The declaration's stronger language on early warning systems, post-disaster reconstruction, and loss-and-damage support was meaningful, especially for vulnerable African economies. Yet here too, the key deficit is financing. Resilience cannot be built through declarations alone. Thus, South Africa's presidency succeeded in reframing the developmental debate, but whether that reframing produces structural change remains uncertain.

India's Role, U.S. Uncertainty, and the Future of the G20

India's interventions during the South African summit reinforced its positioning as a bridge between the Global North and the Global South. Prime Minister Narendra Modi's six-point agenda including emphasis on Africa's inclusion, traditional knowledge systems, health cooperation, satellite data sharing, the link between terrorism and illicit financing, and critical minerals expanded the developmental lens of the G20. India's support for initiatives such as the International Solar Alliance and disaster-resilient infrastructure frameworks further illustrated how emerging powers can provide institutional anchors for Global South priorities.[12] In an environment marked by absenteeism from major powers, India's presence acquired greater symbolic weight, reinforcing its claim to constructive leadership within multilateral settings.

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The most consequential uncertainty, however, concerns the forthcoming U.S. presidency. The tensions between Washington and Pretoria exacerbated by disagreements over geopolitical alignments, trade arrangements such as AGOA, and diplomatic signalling raise questions about how the United States will handle both procedural norms and substantive commitments. Public statements suggesting that South Africa might not be invited to the next summit introduce a troubling precedent.[13] The G20 operates without veto powers and is formally based on consensus and equality among members. If a presidency were to unilaterally determine participation or reshape the forum around narrow bilateral agendas, it could erode the institution's foundational norms.

The broader structural concern is that multilateral forums are increasingly becoming arenas where geopolitical rivalry is projected rather than resolved. If major powers selectively engage, withdraw from climate frameworks, or instrumentalise summit platforms for bilateral leverage, the G20's ability to address systemic challenges debt, climate finance, supply chain fragmentation will diminish. For developing countries, especially in Africa, this would be consequential. Without coordinated global action, issues such as debt restructuring, equitable climate finance, and fair mineral value chains cannot be addressed through unilateral efforts alone.

Yet crisis can also create opportunity. The relative leadership vacuum within certain multilateral structures allows emerging powers greater scope to shape discourse. India, in particular, has consistently articulated its identity as a "bridge" between the West and the Global South. If managed carefully, this bridging role can help stabilise institutional continuity during periods of major power tension.

In conclusion, the South African G20 presidency achieved notable diplomatic success in securing consensus amid fragmentation and foregrounding African developmental concerns. However, structural reform of the global economic order remains incomplete. The forum now enters a delicate phase under U.S. stewardship. Whether the G20 evolves as an inclusive platform for coordinated economic governance or drifts further into geopolitical fragmentation will depend on the willingness of its leading members to prioritise collective stability over competitive signalling.

South African G20 presidency achieved notable diplomatic success in securing consensus amid fragmentation and foregrounding African developmental concerns.

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3 UNCTAD. A World of Debt: It is Time for Reform. Geneva: United Nations Conference on Trade and Development, 2025. https://unctad.org/publication/world-of-debt (Accessed 20 December 2025)

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Commentary

THE RUSSIA-ETHIOPIA NUCLEAR PARTNERSHIP: A CATALYST FOR REGIONAL INFLUENCE AND MULTI-POLAR GEOPOLITICS

The Russia-Ethiopia nuclear partnership marks a significant shift in Africa's energy and geopolitical landscape, positioning nuclear power as both a developmental tool and an instrument of strategic alignment. Formalised in September 2025 between Rosatom and Ethiopian Electric Power, the agreement reflects Ethiopia's pursuit of long-term energy security, industrialisation, and technological autonomy amid rising domestic demand, climate-induced vulnerabilities, and strained relations with Western partners. Embedded within Ethiopia's accession to BRICS and engagement with the New Development Bank, the nuclear deal underscores Addis Ababa's recalibration towards a multipolar order and diversified alliances. For Russia, nuclear diplomacy has emerged as a key mechanism to expand influence in Africa by offering concessional financing, technology transfer, and integrated infrastructure solutions. Regionally, Ethiopia's nuclear ambitions intersect with existing Nile Basin rivalries, particularly with Egypt, raising implications for energy geopolitics within BRICS and the Horn of Africa. The paper argues that nuclear cooperation functions as a strategic infrastructure of alignment, reshaping regional power dynamics and global governance pathways.

Nandini Khandelwal*

Introduction

On 25th September 2025, Ethiopia formalised an agreement with Russia to build a long-anticipated nuclear power facility, marking a pivotal shift in its energy trajectory. The deal was signed between the Russian State Atomic Energy Corporation (Rosatom) and Ethiopian Electric Power (EEP) in Moscow, witnessed by Prime Minister Abiy Ahmed and President Vladimir Putin[1].

This agreement is the culmination of a series of cooperative efforts spanning several years and outlines a clear action plan that includes signing an intergovernmental agreement, establishing a specialised working group for detailed project planning, preparing a feasibility

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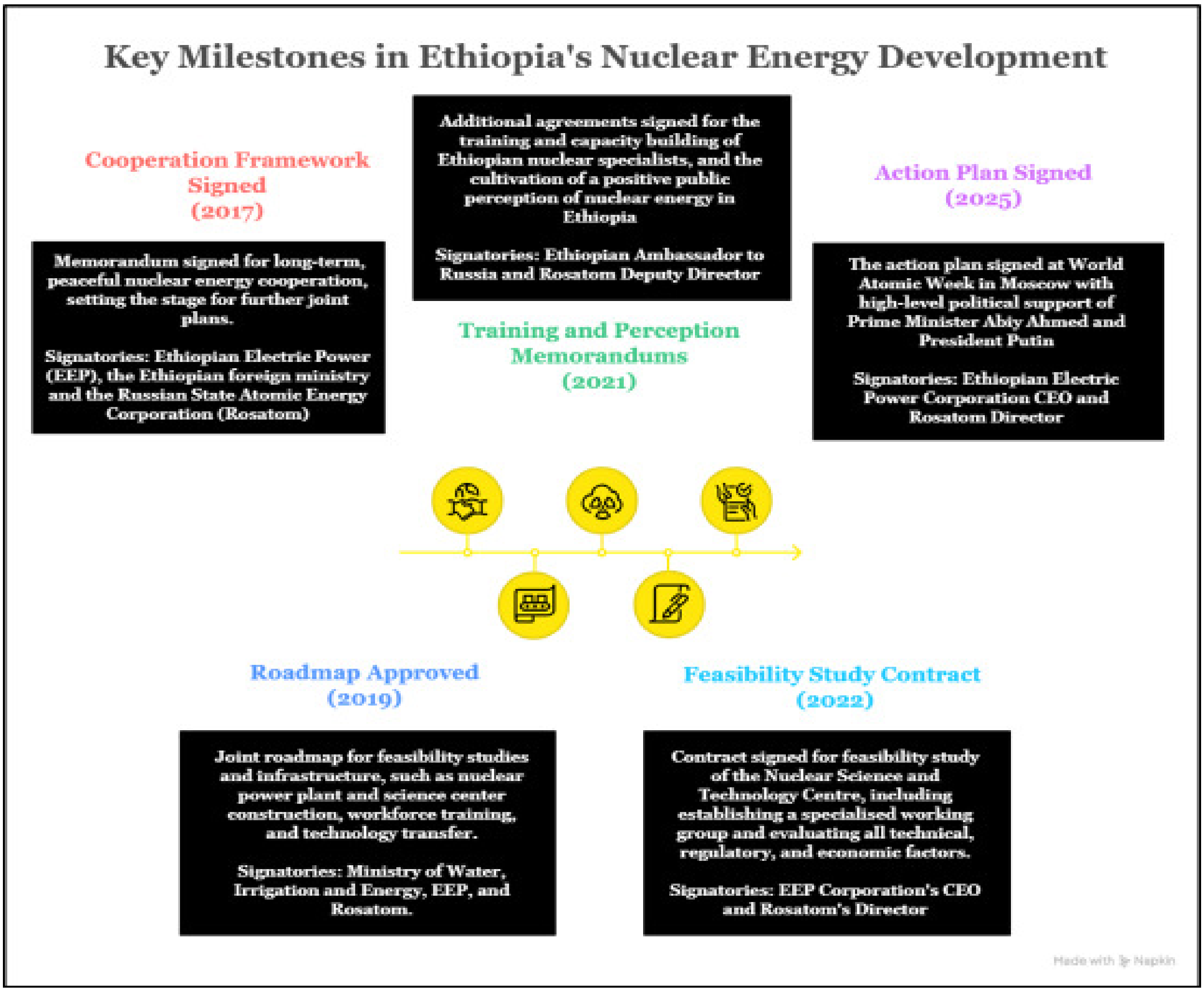
roadmap, supporting Ethiopia's nuclear infrastructure development, and enhancing the qualifications of Ethiopian scientific and technical personnel to use atomic energy peacefully.[2]



***Source*:** Author prepared through Napkin AI

This deal signals Ethiopia's intention to leverage nuclear energy as a catalyst for its sustainable development and energy security, as well as Russia's rise in influence in the wider African continent. Beyond the bilateral significance, Ethiopia's collaboration with Russia positions nuclear technology as a transnational infrastructure of alignment, an instrument for forging new forms of cooperation amid the evolving diffusion of global power.

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Within the broader dynamics of international politics, Ethiopia's pivot towards Russia complements its accession to BRICS in 2024, manifesting a strategic recalibration of its global alliances towards a multipolar order where emerging powers of the Global South assert increasing agency through polycentric alternatives to the traditional multilateral institutions. This diversification strategy responds to strained ties with the West, notably the United States. It aligns Ethiopia with a rising bloc of countries, including Russia to seek alternative development and governance models. The nuclear deal thus serves not only energy and development goals but also signals Ethiopia's ambition to strengthen its inclusive growth, regional leadership role and geopolitical position, resonating with broader African efforts at gaining influence within global multilateral platforms and reshaping normative orders. The recent milestone in Russia-Ethiopia relations through their shared BRICS membership, vividly illustrates how nuclear energy cooperation can symbolise both technological progress and strategic diplomacy, contributing to Ethiopia's vision of sustainable industrialisation and deeper regional integration.

In this backdrop, this paper argues Russia's evolving strategic interests in Africa, particularly in Ethiopia within the BRICS framework. The nuclear deal, representing a significant shift in international alignments, exemplifies Ethiopia's agency and strategic deployment of nuclear energy as an instrument for inclusive and sustainable development, regional energy security, and geopolitical leverage.

Russia's Strategic Interests in Africa through Nuclear Diplomacy

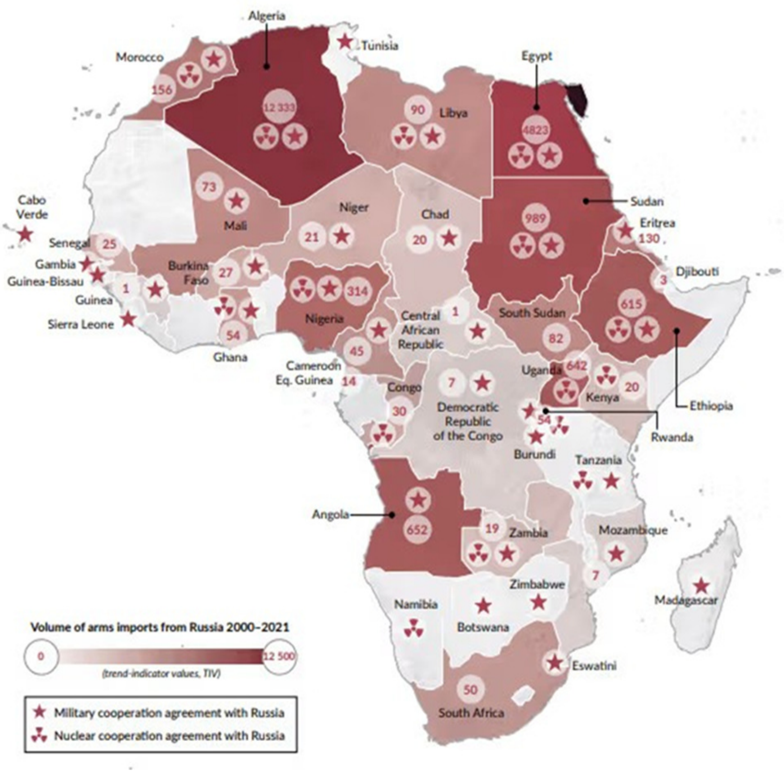
Russia's deepening nuclear cooperation with African states reflects a calculated geopolitical strategy that capitalises on the vacuum created by the West's retrenchment from large-scale energy engagement on the continent. Anchored in concessional financing, technology transfer, and integrated infrastructure of alignment, Russia has cultivated an image of reliability among African governments grappling with chronic energy insecurity. At the centre of this approach is Rosatom, the state-owned nuclear corporation that functions as a key vehicle of Russia's "nuclear diplomacy."

Traditionally associated with security cooperation and resource extraction in West Africa, Russia's engagement is increasingly being framed in developmental terms across the continent. Nuclear cooperation has become a dual instrument of soft power and geopolitical leverage, extending beyond energy generation into medical, industrial, and agricultural applications. Rosatom, already responsible for nearly 70% of global nuclear power plant export projects[3], signals Moscow's ambition beyond military or extractive actor, as a comprehensive development partner for Africa's sustainable development.

As African governments pursue low-carbon and scalable energy options, Russia has positioned nuclear power ... with Rosatom now holding cooperation agreements with at least twenty African states.

Although nuclear outreach predates the Russia–Africa Summits, its strategic significance has intensified amid global decarbonisation pressures.[4] As African governments pursue low-carbon and scalable energy options, Russia has positioned nuclear power as a clean and dependable alternative, reinforcing its appeal. Under President Vladimir Putin, these initiatives have expanded rapidly, with Rosatom now holding cooperation agreements with at least twenty African states.[5] Importantly, several of these nuclear arrangements are embedded within wider security and political partnerships, deepening Russia's imprint on Africa's evolving energy and security architecture. This trend is exemplified by recent agreements with countries such as Niger and Ethiopia, concluded in late September 2025. In addition, rising populations in African countries are the most suitable for Russia's nuclear models. For instance, ROSTOM's latest high-capacity nuclear model of the VVER-1200 MW reactor fits Ethiopia perfectly, capable enough to meet its growing energy demands.[6]

In 2025, Russia–Ethiopia trade relations entered a new phase under the BRICS framework, marked by Ethiopia's confirmed accession to the New Development Bank (NDB). This milestone enabled cross-currency trade mechanisms and coincided with a threefold increase in bilateral trade volumes recorded in the first quarter of the year. These developments have opened substantive opportunities for cooperation across multiple sectors, including energy, agriculture, industry, and information technology.[7] Ongoing discussions between the two governments include joint initiatives for energy system modernisation, such as the installation of advanced Russian-manufactured equipment in Ethiopia's existing hydroelectric power facilities, the construction of industrial plants to strengthen national energy infrastructure, and the establishment of a Centre for Nuclear Science.[8] Collectively, these engagements illustrate the strengthening of bilateral ties between Russia and Ethiopia, particularly within the domain of energy diplomacy, with nuclear cooperation emerging as a central pillar of their expanding strategic partnership.



Source: https://africa.businessinsider.com/local/lifestyle/list-of-african-countries-with-a-nuclear-cooperation-agreement-with-russia/rp0jsh5

Ethiopia's Nuclear Power: Catalyst for Energy Security and Global Leadership

The Ethiopia-Russia nuclear deal is a result of comprehensive planning at the national level. Its first reference was made during the inauguration of the Grand Ethiopian Renaissance Dam (GERD) as part of energy diversification to meet its domestic requirements, given its growing population as the second most populous African country. This project of constructing a mega nuclear power plant, equated to the GERD in terms of scale, is a subset of PM Abiy's $30 billion infrastructure initiative, which also includes an oil refinery, two natural gas facilities, and an airport.[9]

...the transition towards nuclear power complements Ethiopia's reliance on renewable resources like the GERD's hydropower, providing a stable, scalable, and long-term solution to mitigate climate-induced vulnerabilities and ensure reliable baseload electricity for its growing economy.

There are three major reasons for Ethiopia's diversification of energy sources: domestic needs, regional dynamics, and geopolitical considerations. Domestically, the transition towards nuclear power complements Ethiopia's reliance on renewable resources like the GERD's hydropower, providing a stable, scalable, and long-term solution to mitigate climate-induced vulnerabilities and ensure reliable baseload electricity for its growing economy. Ethiopia has nearly 50% of its population lacking access to reliable electricity, and only 22% have legal grid connections.[10] This diversification is also a response to Ethiopia's rapidly rising population, which adds pressure to the electricity sector and amplifies existing vulnerabilities related to generation capacity and supply stability.

Following the nuclear agreement with Russia's Rosatom, Ethiopia has established a national regulatory body for nuclear energy. PM Abiy's cabinet approved of its first-ever Ethiopian Nuclear Energy Commission and appointed the Chief Commissioner as well.[11] The government specifies the peaceful and diversified uses of nuclear technology, including electricity generation, industrial use, healthcare, and agriculture.[12]

Despite facing domestic energy challenges, Ethiopia's hydroelectric grid is already interconnected with surrounding nations such as Djibouti, Sudan, and Kenya, fostering regional energy trade and cooperation. However, climate variability exposes hydropower-dependent systems to substantial risks, underscoring the need to ensure reliable baseload supply and grid adequacy. .

At the regional level, Ethiopia seeks to position itself as the principal energy hub in East Africa and beyond by diversifying its energy sources to include nuclear power. In line with the model set by the GERD, Ethiopia's long-term vision is to integrate nuclear energy into its domestic energy mix, both boosting national supply security and enabling renewed electricity exports to neighbouring countries.[13] Despite facing domestic energy challenges, Ethiopia's hydroelectric grid is already interconnected with surrounding nations such as Djibouti, Sudan, and Kenya, fostering regional energy trade and cooperation. However, climate variability exposes hydropower-dependent systems to substantial risks, underscoring the need to ensure reliable baseload supply and grid adequacy.

Moreover, strengthening electricity infrastructure, particularly grid stability and transmission capacity, is central to sustaining Ethiopia's energy ambitions, yet remains an area requiring significant investment and upgrading. [14]

Nuclear energy, as a non-weather-dependent and large-scale source, offers Ethiopia a pathway to stabilise its energy balance, mitigate hydro-related vulnerabilities, and consolidate its role as a resilient regional supplier in the Horn of Africa. By advancing diversification, Ethiopia aims to enhance energy supply security and further its vision as the region's anchor for clean, reliable electricity. In addition, power export and cross-border interconnectivity build interdependence, for instance, countries that import Ethiopian power obtain a stake in each other's stability and policies. Energy interdependence is, therefore, a tool for building influence without coercion.

Geopolitically, Ethiopia's recent nuclear agreement with Russia exemplifies its adaptive reaction to the changing multipolar global order, in which diversifying strategic alliances has become critical for national growth. For instance, Ethiopia's suspension from the US funding via the United States Agency for International Development (USAID) in 2022 affected Ethiopia on a large scale, being the largest recipient of the US assistance, thus deteriorating Ethiopia-US relations.[15] As a result, Ethiopia's admission to the BRICS in 2024 was a key achievement to increase its geopolitical power and decrease over-reliance on a single partner. This membership further bolsters Ethiopia's role as the headquarters of the African Union, reinforcing its stature on the global stage. Moreover, Addis Ababa's unanimous selection to host the 32nd Conference of the Parties (COP 32) to the United Nations Framework Convention on Climate Change (UNFCCC) in 2027[16] underscores its expanding global profile and commitment to climate leadership. These diplomatic milestones align with Ethiopia's energy diversification agenda, signalling its ambition to be a model of African self-reliance, sustainable development, and influential global engagement.

Nuclear Power-led Regional Balance of Power: Ethiopia and Egypt within BRICS

Ethiopia's recent rise in diplomatic prominence is unfolding in parallel with its long-standing strategic rivalry with Egypt. Both countries acceded to BRICS in 2024, signalling their growing relevance within the emerging architecture of the Global South. Their simultaneous entry theoretically widens opportunities for structured dialogue and cooperative problem-solving. However, it also risks internalising regional antagonisms into the BRICS platform. The historical contestation over the Nile, heightened in the last decade by Ethiopia's construction of the GERD, has already exposed structural fault lines between Addis Ababa and Cairo. These tensions do not remain confined to hydro politics; rather, they increasingly intersect with broader energy geopolitics with an added dimension of nuclear energy, at a time when Africa faces an acute electricity deficit.[17] As energy becomes the defining resource of developmental power and political leverage, the ability to secure diversified, reliable, and technologically advanced energy sources, particularly emerging nuclear capabilities, will become central to determining regional influence.

Within this evolving landscape, Ethiopia's combination of demographic weight, strategic geography and increasingly diversified energy portfolio, especially its future acquisition of nuclear power technology through recent agreement with Russia, positions it to emerge as a regional power in the Horn of Africa and the wider Red Sea-Nile region. While the GERD established Ethiopia's techno-political credentials in hydropower, subsequent moves to expand and pursue civilian nuclear capacity together constitute a strategic shift: energy diversification that enhances economic resilience, political autonomy, technological maturity, diplomatic leverage and deepening like-minded strategic partnerships, such as with Russia. Ethiopia's decision to independently finance GERD with no support from the international financial institutions has set a precedent that not only strengthened its global narrative[18] but also highlighted the risks of overdependence on traditional partners increasingly regulated by 'trade weaponisation'. This is one of the major reasons for Ethiopia to diversify its partners and seek alternatives such as the BRICS's New Development Bank (NDB).[19] The post-GERD techno-political legitimacy improves Ethiopia's diplomatic bargaining position in the multilateral spaces such as BRICS, allowing it to shape regional agendas on infrastructure, energy, and development finance.

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By contrast, Egypt's earliest entry into nuclear power plant construction with Rosatom through the El Dabaa project, consolidates Cairo's position. Further, in July 2025, a supplementary nuclear agreement was signed between Egypt and another Russian company, Atomstroyexport, to fast-track the construction and operation of nuclear power plants in Egypt.[20] Cairo is a strategically significant member of the BRICS concerning the global trade and security dynamics of both the Mediterranean and the Red Sea, also controlling the Suez Canal. It is a much older part of BRICS as it had joined the BRICS's NDB in December 2021, contributing \$1.2 billion.[21] In addition, Egypt has immense diplomatic capital in the Arab and African spheres, which makes it apt for its mediating role in the region.[22] Notwithstanding, it also provides Cairo the potential to challenge Addis Ababa, being witnessed in the current GERD conflict which could be entrenched with the potential nuclear energy competition in future.

Cairo is a strategically significant member of the BRICS concerning the global trade and security dynamics of both the Mediterranean and the Red Sea, also controlling the Suez Canal. It is a much older part of BRICS as it had joined the BRICS's NDB in December 2021, contributing \$1.2 billion.

The emerging nuclear trajectories of both states risk extending their rivalry with further sub-set competition in nuclear energy as well as adjacent domains of high-technology energy infrastructure and intra-regional energy trade. Although Ethiopia, comparatively nascent, lags behind Egypt's industrial capacity, technological development and diplomatic reach, the former's strategic pivot towards the quest for energy sovereignty, technological modernisation, and long-term strategic autonomy with proven hydro power sovereignty, could recalibrate regional alliances and economic integration patterns.

Moreover, both countries, backed by Russia's Rosatom, are advancing ambitious nuclear energy programs that not only reflect their contrasting industrial capacities and technological development but also underscore competing visions for regional influence and energy sovereignty. The partnership with Russia, a common external actor providing nuclear technology and financing as an infrastructure of alignment, places Moscow in a unique position to moderate tensions and influence the regional power dynamic by balancing its interests through engagement with both countries.

Furthermore, this potential nuclear rivalry, perhaps have wider implications beyond bilateral competition. It tests BRICS' diplomacy coherence, given both Ethiopia and Egypt's growing interactions with Russia and the group's expanding African footprint. The nuclear race thus intertwines with broader geopolitical shifts, regional energy trade frameworks, and the negotiation of power within Africa's rapidly evolving energy landscape.

Conclusion

Ethiopia's nuclear agreement with Russia marks a decisive step in its broader effort to redefine its developmental and geopolitical trajectory in a multipolar world. Emerging from a backdrop of expanding Ethiopia–Russia cooperation, accession to BRICS, and strained relations with Western partners, the nuclear deal reflects Addis Ababa's deliberate shift toward diversified alliances and sovereign pathways to development. As Ethiopia pursues nuclear power to complement its hydropower strength, it aims to secure the key pillars of its vision for inclusive and sustainable national progress: long-term energy stability, industrial capacity, climate-resilient development and securing regional energy supply chains.

In the regional power play dynamics, Ethiopia's nuclear ambitions signal a recalibration of the balance of power in the Nile Basin. While Egypt retains a significant early lead in nuclear development and diplomatic capital, Ethiopia's assertive entry into the nuclear domain builds on its demonstrated hydro-political agency through the GERD. This positions Ethiopia as a rising regional actor capable of challenging long-standing hierarchies in the Nile Basin and the wider Horn-Red Sea region.

Russia's parallel nuclear cooperation-led infrastructure of alignment with both states places Moscow in a unique balancing role, shaping how this rivalry evolves within BRICS and regional energy politics. Ultimately, Ethiopia's nuclear ambitions, combined with its demographic weight and strategic geography, signal its emergence as a state seeking not only diversified energy security but also greater regional influence in an increasingly multipolar order.

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Commentary

SUDAN CONFLICT AND THE UAE'S STRATEGIC ENGAGEMENT

The civil war in Sudan, ongoing since April 2023, has evolved into a protracted power struggle between the Sudanese Armed Forces (SAF) and the Rapid Support Forces (RSF), with severe humanitarian and regional consequences. This article examines the conflict through the lens of the United Arab Emirates' strategic engagement, highlighting how Sudan's geopolitical location, gold resources, agricultural potential, and Red Sea access have positioned it as a key node in Abu Dhabi's regional ambitions. It traces the historical evolution of UAE-RSF ties, particularly through Sudan's participation in the Yemen war and the consolidation of RSF control over gold mining and trade networks linked to Dubai. The analysis further explores allegations of Emirati arms transfers to the RSF, the role of transnational logistics corridors, and the paradox of the UAE's dual posture as both mediator and alleged enabler of violence. The article argues that external economic and military involvement has intensified Sudan's internal conflict, prolonging instability and exacerbating humanitarian suffering across the Horn of Africa.

Devendra Kumar*

Introduction

The Sudan conflict, which began in April 2023, continues to rage today and has become an unending struggle between the two warring factions. The Sudanese Armed Forces (SAF), led by General Abdel Fattah al-Burhan, and the Rapid Support Forces (RSF), a paramilitary group led by General Mohamed Hamdan Dagalo, also known as “Hemeti”, are the two rival factions. These two military officers played an important role in 2019 in removing Omar al-Bashir from his thirty-year (1989-2019) of authoritarian rule in Sudan. A Transitional Sovereignty Council, led by a civilian prime minister, was formed to oversee this democratic transition, but was subsequently disbanded following a military coup in 2022[1]. This marked

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the beginning of a struggle for power between the two military units of the Sudan Armed Forces, which has now turned into a large-scale conflict endangering the further division of an already partitioned Sudan. There is a risk of a spillover effect to neighbouring countries of Chad, South Sudan, Ethiopia, Eritrea, the Central African Republic, Libya, and Egypt. Additionally, a prolonged conflict can destabilise this already burdened region with fragile countries and refugee crises. The strategic geolocation of Sudan in the Horn of Africa, its proximity to the Red Sea and the volatile Middle-East region have attracted regional as well as global players.

A Transitional Sovereignty Council, led by a civilian prime minister, was formed to oversee this democratic transition, but was subsequently disbanded following a military coup in 2022 . This marked the beginning of a struggle for power between the two military units of the Sudan Armed Forces, which has now turned into a large-scale conflict endangering the further division of an already partitioned Sudan.

This brings the United Arab Emirates (UAE) into the picture. Its strategic ambitions, economic networks, and dual image as both a mediator and a power broker in Africa and the Red Sea region make the UAE an important stakeholder in this conflict. Over the last decade, to secure trade routes, military footholds, and political influence along the Red Sea corridor, the UAE has invested heavily and has historically cultivated ties with various factions, especially with the RSF. It began in 2015 with the Saudi-led coalition. The UAE was an important cog in this coalition fighting against the Houthis in Yemen. Though Sudan sent troops from both the Sudanese Armed Forces as well as the Rapid Support Forces, the latter were more used as mercenaries, financially supported by the UAE, to take part in that expedition against the Houthis. This marked the beginning of the relationship between the UAE and the RSF. Over the years, both grew closer and established economic ties, mainly through the gold business, a precious metal abundant in Sudan. Thus, when the conflict broke out in Sudan, the UAE sided with the RSF—a faction with which it has historical ties.

Historical Ties Between Khartoum and Abu Dhabi

The year 2019 marked the end of thirty years of authoritarian and Islamist rule in Sudan. Omar al-Bashir, who came to power in 1989 through a coup d'état, went on to rule Sudan for three decades. His three decades of rule were a presidential authoritarian regime, initially a military-Islamist junta, later evolving into a personalist dictatorship under a nominally presidential constitution. In 2009 and 2010, the International Criminal Court issued two arrest warrants against Omar al-Bashir for crimes against humanity, war crimes, and genocide in Darfur, a region in the western part of Sudan.[2]

South Sudan, a region rich in oil, voted overwhelmingly (98.83% voted in favour) in the 2011 internationally watched referendum to secede from Sudan. Almost all exports of Sudan were oil, and more than 50% of its budget was funded through oil revenue. South Sudan took away nearly 75% of the oil fields, thus removing a major source of income for Sudan[3]. It worsened the economic conditions, skyrocketed the inflation, and depreciated the currency. An economically weaker and globally isolated Sudan needed immediate financial support.

This came in the form of the Saudi-led coalition, launched in 2015 to fight against the Houthis. Omar joined this coalition and offered troops and RSF fighters for deployment in Yemen. The RSF (Rapid Support Forces) was established around 2013, drawn from the Janjaweed militias that had fought in Darfur. Its commander, Mohamed Hamdan Dagalo ("Hemedti"), was directly loyal to Bashir, not to the regular army.

Sending troops to Yemen resulted in immediate aid of billions to Sudan, payment for troop deployments, diplomatic rehabilitation, and promises of agricultural and infrastructure investments from the UAE and Saudi Arabia. More importantly, the RSF deployed 14,000-40,000 troops over time, and it got paid in hundreds of millions. Much of this money went to Hemedti's network, not to the formal Sudanese treasury. Between 2016-2018, RSF seized control of major gold mines in Darfur and elsewhere, notably Jebel Amer. Gold became Sudan's main export after losing oil reserves to South Sudan, and the UAE became Sudan's largest gold importer, estimated $16 billion worth exported annually by 2018[4]. All these made the RSF a military force as well as an economic empire, with financial links directly to the UAE and Gulf networks. By 2018, Omar started facing civilian protests over rising prices, and his hold over Sudan weakened. The RSF, legalised and established by Omar in 2013, for support during exactly these types of uncertainties, did not come to his rescue. By 2018, it was financially independent, and after seeing the large-scale and nationwide nature of civilian protests and its history of bad human rights records in Darfur, it decided not to come to the aid of Omar. It supported the Sudanese Armed Forces in 2019 to end the thirty-year rule of Omar al-Bashir in Sudan.

Why Sudan Matters to the Emirates

Sudan occupies a special place in the UAE's strategic calculus because of its geographic location, presence of arable lands, and gold reserves. It presents Abu Dhabi with the intersection of its three interests in the region, i.e. maritime strategy, security projection, and resource extraction. All three of these are vital for the UAE's drive for regional influence.

The UAE aims to establish itself as a major logistics connector between Asia, Africa and Europe with its investment in African ports serving as key nodes linked to the Jebel Ali Port in Dubai. Sudan's 700 km coastline on the Red Sea grants immense strategic value for this maritime ambition. Control over Port Sudan and the proposed Abu Amama port, developed by Abu Dhabi Ports and Invictus Investment, gives the UAE a strategic outpost connecting the Horn of Africa, the Suez Canal, and the Arabian Peninsula.

In the case of Sudan, RSF became the regional partner with which Abu Dhabi has cultivated its relations after their joint Operations against the Houthis in Yemen.

Security is another interest that makes Sudan important. Since the Arab Spring, the UAE has pursued a security-first foreign policy in the region. To counter transnational Islamist networks, UAE exported counterinsurgency know-how and developed close relationships with many local armed groups to pursue its objectives. In the case of Sudan, RSF became the regional partner with which Abu Dhabi has cultivated its relations after their joint Operations against the Houthis in Yemen.

Sudan, often referred to as the Breadbasket of Africa[5], has a vast agricultural potential. Its favourable climate and the presence of both the White Nile and Blue Nile provide it with a huge fertile area and abundant water resources. The Gezira Plain in the east-central part of Sudan, between these two rivers, is rich in silt deposited by the floods of the Nile. Sudan's agricultural endowment addresses the food insecurity of the UAE, a country with very limited arable land and water, which depends heavily on food imports. Sudan, to address the acute economic and financial challenges following the separation of South Sudan, implemented policy changes and allowed Gulf countries to invest in its agricultural sector. It offered them water and land in favourable conditions. Companies like Amtaar, IHC Food Holding[6], GLB Invest, etc, have invested in the Sudanese Agriculture in hundreds of thousands of acres.

Sudan, to address the acute economic and financial challenges following the separation of South Sudan, implemented policy changes and allowed Gulf countries to invest in its agricultural sector. It offered them water and land in favourable conditions.

The UAE's investments in the ports on the Red Sea give it a foothold in the Horn of Africa region. Similarly, by investing in agriculture, it is advancing its food-security strategy by diversifying its supply chains. The combination of above two factors makes Sudan important in the strategic calculations of Abu Dhabi.

Sudanese Gold-The RSF's Lifeline and Dubai's Treasure

The partition of South Sudan from Sudan in 2011 resulted in gold becoming the main source of income for Sudan, as South Sudan took away 75% of the oil reserves with it. This led Sudan to become dependent on its gold reserves for revenues and exports[7]. The significant increase in gold prices from the 2000s, along with its growing importance in Sudan's economy, spurred a boom in Sudan's gold mining sector. By 2012, it replaced oil as the main source of foreign currency. But there was a contradiction with the gold. In the export of oil, both production and export were controlled by the government. In the case of gold, the regulation became challenging due to the artisanal nature of its production. The Omar al-Bashir regime used violence and coercion, enforced by its security agencies, to have control over the gold-producing areas. It also allowed the SAF, the RSF, and the National Intelligence and Security Service (NISS) to export gold unofficially through their respective gold companies[8]. The SAF used state-owned companies, while the RSF exported through the companies owned privately by its commanders. Over the next few years, both used their influence in security and politics to expand their footprints in the gold mining sector. The 2021 coup, which removed the transitional government led by Prime Minister Abdalla Hamdok (2019–2021), was also due to his reform initiatives, which threatened the economic powers of the security agencies[9].

The significant increase in gold prices from the 2000s, along with its growing importance in Sudan's economy, spurred a boom in Sudan's gold mining sector. By 2012, it replaced oil as the main source of foreign currency

One of the main factors contributing to the ongoing civil war in Sudan is also due to the growing competition between the SAF and the RSF in the gold mining and trade sectors. During Bashir's rule, he managed the rivalry by offering both parties lucrative incentives in the form of partnerships with external investors. Post 2021, the rapid expansion of the RSF holdings in the gold sector alarmed the SAF leadership. The competition between these two groups did not stop just in the mining sector, but expanded to other sectors of the economy, including agriculture, livestock and banking. These tensions and competition culminated in the beginning of the ongoing civil war on 15th April 2023.

The beginning of the conflict saw the RSF consolidating its dominance over gold-producing areas in Darfur and Kordofan. It also captured the currency printing house and a gold refinery in Khartoum, which contained almost $150 million worth of gold[10]. These helped the RSF in financing its weapons and logistical costs. Both the SAF and the RSF are dependent on the proceeds from the exports of gold to sustain this war. The RSF, which controls several gold mines in the western part of Sudan, uses the neighbouring nations to export its gold to the UAE, a major hub of smuggled gold. The SAF, which has accused the UAE of supporting the RSF in terms of weapons, has even taken it to the International Court of Justice (ICJ). But, even the exports of the SAF, both licitly and illegally, to Egypt ultimately end up getting exported to the UAE. In 2024, according to a report from the Central Bank of Sudan, the SAF exported 97% of its gold to the UAE, worth billions of dollars. Thus, in a way, both the warring factions are sustaining this ongoing war through their exports of gold to a single country, namely the UAE.

But the question here arises- Why is the UAE taking a risk by supporting a group that has a history of human rights violations? There is more than one explanatory factor. The first is the strategic and economic competition between Saudi Arabia and the UAE, the two Arab Gulf states vying to expand their influence in Africa. Riyadh has been supporting the Burhan-led SAF, which is why the UAE is in alignment with the RSF. The second reason is the gold business. RSF chief Hemedti has established himself as a business tycoon and has business links with the UAE, primarily trading in gold. The third one is the personal connection between Hemedti and Mohamed bin Zayed (the Emirati President). They got in touch during the fight against the Houthis in Yemen in 2015, and since then, it has blossomed. The fourth one is SAF's close association with the Political Islam in Sudan. The UAE has tried hard not to allow the spread of such movements after the Arab Spring. To counter the spread of that, the UAE chose to party with the SAF.

Weapons from Abu Dhabi to Darfur?

Though the focus of this ongoing war has been on the two warring factions, the alleged supply of weapons to the RSF by the UAE is insufficiently scrutinised. Many independent investigations, UN expert panels and Human Rights Organisations have pointed to a sustained supply of sophisticated weaponry to the RSF by the UAE, despite humanitarian concerns and International Embargoes. The findings from the mortar rounds seized in North

Darfur in April 2025 substantiate the allegations. These rounds bore serial numbers identical to those which Bulgaria had exported to the UAE in 2019. It entailed a deliberate re-export of weapons from the stockpiles of the UAE to Sudan, a violation of the international restrictions on the supply of weapons to Sudan. Also, Amnesty International, in its findings in April 2025, identified advanced Chinese-manufactured GB50A guided bombs and Norinco AH-4 155 mm lightweight howitzers in RSF-held regions of Khartoum and North Darfur. The fragments of the GB50A recovered in March 2025, which were used in drone strikes, bore a 2024 manufacturing date, indicating a recent supply of these weapons. This finding is significant because the UAE is the only documented importer of the AH-4 howitzer, indicating re-export from the UAE is a plausible explanation for their presence on the Sudanese battlefields[11]. Additionally, Human Rights Watch (HRW) reported the presence of advanced weapons with the RSF. It included drones, multiple rocket launchers, anti-aircraft systems, and anti-tank guided missiles. Many of these weapons point to the weapon-procurement patterns of the UAE[12]. HRW also brought up the existence of transnational logistics corridors. Neighbouring countries like Chad, Libya, and South Sudan are used by the RSF for the movement of weapons to Darfur and other RSF strongholds. These corridors, especially through eastern Chad, are believed to be supported by Emirati funding and infrastructure. The 2025 briefing on Sudan by the Small Arms Survey[13] reveals the growth in the arsenal of the RSF, both in terms of quantity and technological sophistication. A major point to be noted is that the majority of these weapons match the weapons procured by the UAE in the last decade. This report highlights that the role of Abu Dhabi in shaping the fighting capabilities of the RSF is systemic, and not incidental or sporadic.

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This finding is significant because the UAE is the only documented importer of the AH-4 howitzer, indicating re-export from the UAE is a plausible explanation for their presence on the Sudanese battlefields.

Though many International Organisations and Independent Agencies' findings suggest the UAE's involvement in arms supply to the RSF, Abu Dhabi has denied all these allegations, stating that no substantiated evidence suggests its involvement in arming the RSF. However, the convergence of evidence collected by different agencies shows a pattern that is becoming difficult to dismiss: the overarching presence of the UAE's role in the weapon supply to the RSF.

Humanitarian and Regional Consequences

While the whole globe is fixated on the Russia-Ukraine war and the Israel-Gaza Strip conflict, the nightmarish civil war in Sudan is not receiving such attention. The atrocities against the civilians, combined with famines in several regions, have led to the worst humanitarian crises in the world. This conflict between the SAF and the RSF has collapsed the country's social, economic, and health infrastructure at an unprecedented rate. There is a systemic breakdown, as nearly 30 million people, around two-thirds of the population, require humanitarian assistance. Most of the urban centres, such as Khartoum, Omdurman, Bahri, El Geneina, Nyala, and El Fasher, have become battlefronts, forcing families to flee repeatedly as the frontline shifts. This conflict reached a new low when the RSF managed to gain control over El Fasher on 26th October 2025. It was the last remaining stronghold of the SAF in the Darfur region, which had been under siege for the past eighteen months. The paramilitary group trapped the civilians inside the city, killed people at gunpoint, and detained, tortured and raped many others[14].

Today, more than 18 million Sudanese are facing acute hunger, and many other regions are approaching famine-like situations due to the blockade of the aid corridors and the collapse of the markets. Among the civilians, women and children are the worst affected, as millions of children are out of school, and conflict-related sexual violence has risen sharply.

This ongoing conflict has also generated powerful regional reverberations, which have strained the political and economic capacities of Sudan's neighbours. Chad, South Sudan, Egypt, and Ethiopia have received around four million refugees. These countries were already grappling with poverty, internal conflict and fragile humanitarian infrastructures. As the conflict goes on, and the flux of refugees to the neighbouring countries continues, this ongoing civil war in Sudan can also lead to a regional humanitarian crisis.

Conclusion

The ongoing civil war in Sudan has emerged as a defining case for understanding how external powers are shaping the regional African conflicts. In Sudan's case, the UAE has emerged as a significant external player, alongside Saudi Arabia. The role of Abu Dhabi has been paradoxical throughout this conflict. It is a member of Quad (the USA, Egypt, Saudi Arabia, and the UAE), which has been leading negotiations to reach an agreement. However, it has also been alleged by multiple Independent Agencies that the UAE is supporting the RSF with advanced weapons, thus enabling the very conflict which it publicly seeks to de-escalate. Additionally, its ambition to have a presence in the Red Sea may face a hurdle if the war continues.

Moreover, the Sudan war demonstrates that external support, in the form of arms transfers, financial backing or political cover, intensifies the internal power struggles. The UAE's alleged role in facilitating weaponry to the RSF and the linkage of gold networks between the actors in conflict and Abu Dhabi underline how the Gulf involvement is sustaining this war. After more than two years of this fighting, several lessons stand out. First, a stricter international monitoring of arms flow is the need of the hour. It will prevent external actors from quietly shaping the battlefield. Moreover, the UAE's alleged roles should be verified and brought to the world's attention. Second, the proceeds from the gold trade are sustaining this war. Transparency and regulation of this trade are crucial for cutting off the financial incentives for armed groups.

Ultimately, the crisis in Sudan is not just a national crisis, but it serves as a lens through which we can view how the emerging powers engage in a contested space. The UAE's involvement in Sudan highlights both the possibilities and perils of external influence in African countries, underscoring the urgent need for accountability and locally anchored approaches to resolving this conflict.

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Viewpoint

THE SECURITY IMPLICATIONS OF AFRICA'S CRYPTO BOOM

Africa's rapid adoption of cryptocurrencies and decentralised finance (DeFi) reflects both structural economic pressures and technological opportunity. Driven by currency volatility, inflation, financial exclusion, and a young, mobile-first population, crypto assets, particularly stablecoins have become embedded in everyday transactions, remittances, and value storage across the continent. However, this digital transformation has generated significant security risks. Drawing on recent law-enforcement operations such as INTERPOL-AFRIPOL's Operation Catalyst, this paper examines how cryptocurrencies and DeFi platforms are increasingly exploited by organised crime networks and terrorist groups for money laundering, fraud, extortion, and terror financing. The analysis highlights how pseudo-anonymity, weak regulatory frameworks, peer-to-peer exchanges, and cross-border ease of transfer enable a growing crime-terror nexus in Africa. While crypto technologies offer pathways for financial inclusion and economic resilience, their unregulated expansion threatens to undermine regional security and governance. The paper argues for calibrated regulation, institutional capacity-building, and financial literacy as essential to balancing innovation with security imperatives.

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Introduction

Between July to September 2025, International Criminal Police Organization (INTERPOL) and African Union Mechanism for Police Cooperation (AFRIPOL) conducted a landmark law-enforcement operation called 'Operation Catalyst', which flagged around $260 million in illicitly obtained crypto and fiat (of which $600,000 was seized immediately), led to the arrest of 83 individuals across multiple African countries. The operation was critical in uncovering terror and organised crime network that was using cryptocurrency as a major enabler through 'Ponzi scheme' style investment schemes to fund jihadist groups. Notably, of the 83 arrests, 18 were related to illicit use of 'virtual assets', including cryptocurrencies.[1]

The incident underscores a new and critical aspect: Cryptocurrencies and decentralised finance (DeFi) services are no longer peripheral in Africa, but becoming deeply embedded

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in strategic, security and economic fabric of the continent. The younger, tech-savvy population, push for tech adoption, higher mobile penetration has been positive drivers of innovation. On the flipside, this push is also marred by currency instability, banking exclusion[2] and inflation[3], which have been enabled by the fragile state systems, currency volatility, terrorism and armed insurgencies and border crises.

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Cryptocurrency, in this context, have become a sandbox for both financial opportunities as well as risks. While they offer ease of using financial services such as remittances, investments and payments while ensuring security from theft, local currency instability and need for intermediaries (specifically banks)[4], this lack of oversight and distributed nature of cryptocurrencies have also made them ideal for funding activities of the local jihadist groups, arms traffickers, and illicit trade syndicates.

It is important to understand, therefore, this emerging dynamic, where the region is finding itself pulled between the promise of crypto-driven modernization and the perils of an unregulated digital frontier. As Africa's economies digitize, the contest over who controls this new financial terrain has become one of the defining struggles of the emerging era of cryptocurrencies and DeFi.

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Cryptocurrencies and DeFi Within Criminal and Terror Finance Networks

Cryptocurrency, in its essence, is a medium of exchange that exists digitally or virtually, using cryptography to secure transactions. United Nations Development Programme (UNDP) defines them as 'digital assets or digital representations of value that depend on distributed ledger technology such as blockchain.'[5] They have no central issuing authority and instead depend on these 'distributed ledgers' to make a record of transactions and issuance of new units.[6] They are peer-to-peer systems, without any legislative authority requiring verification of transactions. Due to the lack of assigned legal-tender or actual intrinsic value, cryptocurrencies are worth what the other party is willing to pay for them in market.[7] Cryptocurrencies are generally dependent on network consensus mechanisms such as blockchain technology, which are further secured by private keys in order to prevent corruption, double spending or general network errors. While these assets provide greater security in transaction networks, they are vulnerable to price volatility due to factors such as novelty of technology, speculation, barter-like valuation, low barrier of market entry, unregulated demand and supply mechanics, and media influence.[8]

DeFi builds upon the cryptocurrency infrastructure to deliver traditional financial services (lending, borrowing, trading and investment) without traditional intermediaries (such as banks). IMF defines DeFi as '…a set of alternative financial markets, products and systems that operate using crypto-assets and 'smart contracts' (software) built using distributed ledger or similar technology.'[9] It leverages blockchain, smart contracts, etc. to enable direct transactions between individuals and businesses, reducing costs and speeding up processes by eliminating intermediaries.[10] DeFi provides access through decentralized applications (dApps) that are accessible through computers, tablets or even smartphone, and their perpetual availability means they are accessible even to unbanked population. However, the technology is new even within the cryptocurrency ecosystem and has seen significant setbacks in form of bugs and hacks. It is also vulnerable to market volatility, particularly linked to cryptocurrencies. Finally, DeFi provides unrestrictive access without reliable identity checks and regulatory protections, which makes it particularly attractive to malicious actors.[11]

While these technologies are powerful tools for finance, they have significant drawbacks that make them an attractive avenue for misuse or malicious actions. This holds especially true for developing or crisis hit countries, where local banks and currencies may be unreliable, pushing crypto and DeFi as a viable alternative. Latin American countries exemplify this well: in a region which has over 70 percent of unbanked population, crypto adoption grew valued over $500 billion in annual transactions.[12] These transactions may be driven by high rates of inflation eroding people's savings and ability to exchange (IMF, for instance, estimates Venezuelan inflation at 269.9 percent in 2025)[13], which may be bypassed by either holding USD, or using 'stablecoins'[14] as dollar proxies.

Cryptocurrencies such as USD Coin (USDC) and Tether (USDT) have, in this context, seen significant rise in transaction volume due to retail transactions emanating from countries like Venezuela, where they are used for daily purchases to avoid volatile local currency and government capital limits.[15] Slow and poor regulation of crypto assets, as well as lack of KYC and anti-money laundering (AML) norms has also lowered barrier of entry for crypto and DeFi, and combined with general economic hardship, gives a convenient escape hatch for the people in affected countries.

Beyond this lack of regulation and norms and relative stability against local currencies, cryptocurrencies also offer other distinct advantages that enable movement of money without risking oversight. First, **peer-to-peer** and unregulated transfers offer concealment to sender identity. Technologies like Crypto Tumblers, decentralised exchanges (DEXs) and DeFi mixers also enables obfuscation of purchase trail, creating 'layers' of protection. Second, cryptocurrencies can bypass international transfer norms, making **cross border** transfers quick, easy and without any restrictions. Thirdly, it enables **cash conversion** without intermediaries. Crypto exchanges such as Binance also offer cash deposit services, both using bank and in-person methods, which (given lack of restrictions) means cash can easily be converted into cryptocurrencies and DeFi tokens without any strictures.

While aforementioned features streamline financial transactions and privacy significantly, they have also attracted the interest of criminal groups, particularly for money laundering and drug trafficking. For instance, Mexico-based Cartel Jalisco Nueva Generación (CJNG) was found to have used Binance cryptocurrency exchange to move $15 million to $40 million in illicit proceeds from the sale of cocaine and methamphetamines in 2022.[16] Brazil based Glaidson Acácio dos Santos, also known as 'Pharaoh of Bitcoin', moved over 380 million reais ($67 million) in cryptocurrency, funded through activities that allegedly included not just duping people through pyramid scheme investments, but drug and cartel money as well.[17] Ransomware outfits such as North Korean APT group Lazarus are known for using DEXs and Crypto Tumblers such as TornadoCash in order to mask their funding channels for the country's Weapons of Mass Destruction (WMD) programme.[18]

Terror outfits, similarly, have been diversifying their funding portfolio using cryptocurrencies and DeFi based assets. Reports suggest that over 30 different types of crypto assets are used by these outfits[19], with specific focus on stablecoins to store and move funds.[20] For instance, cryptocurrency wallets connected to Hamas received about $41 million between 2020 and 2023, while wallets connected to U.S.-designated terrorist organization, Palestinian Islamic Jihad (PIJ), received as much as $93 million over the same period.[21] Reports also suggest that Iran has been using cryptomining to source funds that are being used to finance Hezbollah, while bypassing sanctions.[22]

Most of the funding sourced through donations is of relatively small value, and the wallets involved often cannot be directly linked to individuals or groups associated with terrorism. Additionally, terrorist financing may be indistinguishable from broader money-laundering activities and, when combined with geographical risk factors- such as regulatory environments, political structures, and regional preferences for specific crypto assets, this complicates the detection of red flags.

Trends in crypto assets adoption in Africa

The trend of crypto adoption in Africa has been driven by a mix of economic volatility, shifting regulatory structures and demographic factors. Macroeconomic pressures have been more marked issues in African countries, characterized by volatile currencies and chronic inflation. For instance, in Nigerian Naira lost more than three-quarters of its value against the US dollar since 2016, while inflation has consistently been in double digits.[23] The currency value has also seen divergence between official value and parallel market rates, indicating an imbalance between currency demand and supply, driven by limited liquidity in official channels.[24] As a cascading effect of major currency devaluation in March 2025, Nigerians rushed towards crypto-assets as a way to hedge against currency fluctuations. This has led to a sharp rise in crypto adoption, since those assets, particularly stablecoins, provide cushions for value, and alternative exchange tool, against depreciating currency.[25]

Many of the African countries also have a large portion of population unbanked; by 2023, only 48 percent of the African population had access to banking services. Such high degree of exclusion from formal financial services stem from issues such strong prevalence of informal sector employment, poor infrastructure for legal identity documentation[26], large cash economy, cost of maintaining physical branches and maintaining accounts, poor financial literacy, higher cost of internet services, and poor socio-economic conditions. As mentioned before, cryptocurrencies offer a way to bypass requirements of traditional banking systems and services, making it easier for retail adoption. This is exemplified by push for adoption of Bitcoin by fintech company AfriBit Africa in Kibera slums in Kenya, to extent that even groceries can be purchased using Bitcoin.[27]

While internet costs are relatively higher within Africa, mobiles and digital access has expanded rapidly in the continent. As a result, most countries have a significantly mobile forward, and mobile cash services like Kenya's M-Pesa have gained prominence. Additionally, Africa has a young demographic, with a median age of 19.3[28], with a tech-savvy outlook. Therefore, the population has been able to acclimate itself to tech-forward options such as cryptocurrency fairly quickly.

Regulatory apparatus has also played a major role in cryptocurrency adoption. Countries like South Africa have made positive but cautious overtures towards crypto-assets and blockchain on governmental scale, fostering crypto-adoption. They are not recognized as legal tender but regulated as financial products and are subject to KYC/AML norms.[29] Notably, South Africa allows for cryptocurrencies to not be subject to exchange control regulations, easing cross-border fund transfers (provided other regulatory conditions are met). Similarly, Central African Republic has legalised use of Bitcoin for all transactions, including tax payment.[30] However, most countries either do not have any specific norms on crypto-assets, or only regulate them partially. Ironically, countries that have placed any level of ban on crypto-assets seem to boost their adoption further. For instance, the 2021 ban on banks from conducting transactions using digital currencies in Nigeria ended up pushing the public into peer-to-peer cryptocurrency exchanges.[31] Similarly, despite placing a complete ban on cryptocurrencies since July 2025 (and limited ban in 2018), Algeria has continued to foster peer-to-peer stablecoin ecosystem, indicating that bans and strict regulations do little in way of stopping crypto-adoption.

Additionally, Africa's large diaspora and intra-continental trade push demand for remittances. While traditional channels are slower and may cost for transfers, cryptocurrencies afford instantaneous international transfers at lower costs. Stablecoins, specifically, offer functional stand-ins for the dollar, streamlining cross-border trade and remittances. Countries including South Africa, Kenya and Rwanda are exploring stablecoins to enable faster, more reliable cross-border payments.[32] Finally, African investors, like their counterparts across the world, are investing in maturing crypto space due to promise of new investment opportunities such as Bitcoin ETFs and hedging in crypto markets.

In essence, use of crypto assets in Africa is driven by a mix of necessity and opportunities. People are using them to store and transact wealth in an environment where traditional finance is unreliable, expensive, or unavailable. Stablecoins are especially central, offering dollar-like stability for users facing depreciating local currencies. DeFi, as an emerging concept in crypto ecosystem, is also finding a foothold, though payments, remittances, and basic trading remain at the forefront.

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Crypto-based Crime and Terror financing in Africa

As stated previously, the benefits emanating from cryptocurrencies also provide space for movement of money involved in illicit and terror activities. For Africa, the extant networks ranging from drug and fuel traffickers to jihadist cells have begun integrating crypto into their financial playbook. While traditional criminals may not have necessary crypto skills, even use of basic blockchain may easily create confusing money trails.

Large criminal enterprises can also leverage cryptos for obscuring fund flows. Methods such as layering (use of multiple wallets, exchanges and countries to move money), cash conversion to crypto through exchanges, privacy coins (cryptos like Monero and ZCash that use cryptography to hide identifiers for transactions, such as details of sender, receiver, and amounts), integration in legitimate businesses (which is not irregular given the retail adoption), and using Non-Fungible Tokens (NFTs) and DeFi platforms (to store value using cryptocurrencies and launder it through resale).[33] Nigeria provides an excellent example, where the cybercriminals leverage crypto activities to launder money obtained through phishing and scams.[34]

Additionally, many Africa based crime syndicates, such as the Black Axe, fund their activities using online romance and investment scams, sextortion, 'pig butchering' hybrid scams, ransomware and Ponzi schemes. Recent Operation Jackal III, third iteration of INTERPOL's bid to dismantle West African crime groups, revealed large transfers in cryptocurrencies, in bank accounts associated with the group, defrauded from online financial fraud victims. Similarly in South Africa, the company Africrypt collapsed after they used cryptocurrency to gain billions worth of investor funds, which the founders allegedly fled after erasing money trail using cryptocurrency-tumblers.[35]

Beyond organised crime, terrorist groups in Africa have also started using cryptocurrencies. Illicit activities in Africa exist in an intersection between extremist groups and criminal organisations - often referred to as the "crime-terror nexus"[36], and as such share similar tactics in parallel. For instance, transnational traffickers (cocaine, hashish from North Africa) increasingly rely on virtual assets to move money. Islamic State (IS) and its affiliates reportedly also use crypto intermediaries to launder their proceeds from illicit trafficking of natural resources such as gold, charcoal, minerals, timber, and wildlife materials.[37]

Illicit activities in Africa exist in an intersection between extremist groups and criminal organisations - often referred to as the "crime-terror nexus".

However, there are certain additional advantages of crypto-assets that are reaped by terror groups. Boko Haram, for instance, has reportedly started using cryptocurrencies through unregulated exchanges to gain Zakat (cash donations). For instance, 2020, the United Arab Emirates convicted six Nigerians of funnelling more than $780,000 to Boko Haram using cryptocurrency.

Terror groups also often use crypto to pay for operational needs. The Operation Catalyst, for instance, revealed a possible terrorist scheme based in Kenya wherein young people from East and North Africa were recruited into terrorist groups through funds sourced through a crypto trading platform. Crypto is also increasingly becoming the method of exchange to gain ransoms through kidnapping as well as extortion, especially in areas affected by Boko Haram.[38]

In sum, cryptocurrencies offer extremist groups anonymity, speed, and cross-border reach that traditional methods lack, while allowing them further consolidation and ease in movement of funds. This makes crypto growth a dual edge sword: while cryptocurrencies and its associated technologies are being developed to provide a political and economic structure, it also enables crime-terror nexus, further devolving the situation that necessitated crypto-assets in the first place.

Conclusion

Cryptocurrency in Africa is not a local curiosity, but a full-fledged circulatory system for their financial lifeblood. The continent's large and youthful population and rapid tech adoption have been accompanied by major political and economic volatility, leading to it becoming a testing ground for financial innovation.

Crypto assets and DeFi provide real benefits in Africa: they provide reliable value, access to capital, and tools for economic inclusion. Use of these assets may help in eliminating intermediaries that are characteristic of traditional banking, giving way for seamless, low cost transactions for even the more isolated communities, within and outside of the countries.

Yet, there are clear indicators of the risk posed by these instruments. Pseudo-anonymity and cross-border ease have attracted criminals and terrorists to African crypto markets. The crypto platforms are being exploited by criminal organizations and terror outfits alike, which threatens regional security and stability further. Ironically, the crypto ecosystem, created for the needs of the people, ends up funding the organizational operations that harm them instead.

Regulation is the need of the hour, but the example of Nigeria has shown that extreme actions such as an outright ban may only end up pushing crypto activities out of the reach of the government. The key policy lesson is thus not to retreat from digital finance, but to manage it smartly. Policy responses need to be complimented with systematic approach to restrict the malicious actors, along with capacity building, investment in infrastructure and inculcating digital and financial education among the people themselves. In essence, as Africa's booming crypto future shows two pathways laid in front. Harnessed responsibly, these assets may become a genuine driver for economic inclusion and modernization in Africa. Neglected, they may not just exacerbate existing issues, but entrench new, digital forms of exploitation, crime, and instability.

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Book Review

Christian Bueger and Timothy Edmunds, Understanding Maritime Security, USA: Oxford University Press NY (2024) pp. 222 (+xii)

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The oceans, covering seventy percent of the Earth's surface, are not just natural frontiers but important domains in the evolving global security agenda. According to the World Bank Group, "Maritime transport is the backbone of global trade, as more than eighty percent of goods are transported by sea". The idea of maintaining "good order at sea" emerged through this and has gained momentum with globalization, as stable maritime trade became vital for peace and prosperity. The Small Island Developing States (SIDS) are heavily reliant on the oceans for their economic development. Problems such are terrorism and piracy, climate change, maritime border issues, and others have hindered the economic and sustenance activities in the oceans, in turn hampering the economies of SIDS and global maritime sector.

Navies and coastguards were tasked with protecting the economic systems from piracy, terrorism, and instability. However, after 2008, rising tensions with Russia and China shifted global focus back to great power competition, pushing maritime security down the agenda. Yet, the advent of piracy off the coast of Somalia from 2008and Houthi attacks on commercial shipping in the Red Sea in late 2023 revealed that coastguards alone cannot manage such threats. Ultimately, warfighting and constabulary roles are intertwined, and maritime security must be understood as a unified, complex, and indispensable effort. It is against this backdrop that the book "Understanding Maritime Security" by Christian Bueger and Timothy Edmunds provides insights into these multifaceted challenges and their potential solutions. The authors have synthesized over a decade of scholarship, making the understanding of complex issues accessible without oversimplification.

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Methodically, the book is divided into eight chapters, highlighting the breadth of maritime security issues—traditional issues like piracy and interstate disputes, to emerging challenges including cyber threats and environmental crimes. The book provides readers with a detailed

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analysis of the evolution of maritime security agenda through four waves, capturing the interplay between historical legacies and contemporary demands.

The book starts with the basic introduction to maritime security and logically progresses to understanding its historic legacies, the various frameworks through which it is understood and governed, the dimensions of maritime security, crimes at the ocean, the various actors involved in the development of maritime security structures, and the solutions along with the emerging issues in the maritime domain. This progression benefits not only the scholars and practitioners but also the novices attempting to understand the nuances of maritime security. Among these diverse topics, the focus on "blue crime" is exceptional for its conceptual depth. The term blue crime epitomises the transnational crimes at sea like human trafficking, illegal fishing, and drug smuggling. It further expands on their deep connection to weak governance systems and persistent social and economic inequalities. Bueger and Edmunds persuasively argue that only maritime strategies will not suffice in tackling these issues, but they also need land-based interventions. This would need an integrated approach to tackle the problems at sea.

The discussion on Maritime Domain Awareness (MDA) is another key contribution of this book. Firstly, the authors have distinguished between the Maritime Situational Awareness (MSA) and MDA, which are often used as synonymous terms. Maritime Situational Awareness (MSA) provides a real-time understanding of activities at sea, while MDA expands on this by integrating intelligence and broader analysis to assess their implications for security, safety, the economy, and the environment. The authors further expand on the importance of technology like, radar and satellite imagery, and sensor technology, in gathering real-time data to tackle maritime issues. The downside of these technologies is also discussed. It progresses with highlighting the need for information sharing among the state agencies and non-state actors like the shipping industry, and among regional and international partners for better understanding of the maritime domain. They also highlight the significant gaps in MDA across regions, especially in the Gulf of Guinea and the Western Indian Ocean. The dependence on fragmented surveillance systems in these areas emphasizes the importance of global collaboration and capacity-building efforts.

Maritime Situational Awareness (MSA) provides a real-time understanding of activities at sea, while MDA expands on this by integrating intelligence and broader analysis to assess their implications for security, safety, the economy, and the environment.

While the book offers a strong examination of state-led and institutional approaches to maritime security, it overlooks the growing influence of private and multilateral actors in this field. The discussion acknowledges the presence of private sector players, such as shipping companies and private security firms, however stops short of offering a deeper look at the ways these actors operate, coordinate with governments, or navigate regulatory challenges. A more detailed exploration of their contributions and limitations could have provided valuable insights for policy-makers and practitioners working to strengthen maritime governance.

Similarly, the book briefly references international cooperation and does not fully engage with the efforts and struggles of multilateral organizations like the International Maritime Organization (IMO) or regional frameworks such as the Djibouti Code of Conduct. These mechanisms are central to addressing transnational maritime threats, yet their implementation challenges and evolving roles receive limited attention. It also fails to deeply explore the role of multinational naval forces—like the Combined Maritime Forces (CMF) and European Union Naval Force (EUNAVFOR)—in securing the seas. Expanding on the role of such organizations in fostering collaboration, or failing to, would have enriched the analysis and offered a more comprehensive understanding of global maritime security dynamics.

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One notable contribution of the book would be its focus on the new-age maritime issues, like cyber-security. The authors focus on the digitization and automation of maritime infrastructure—such as ports, shipping networks, and undersea cables—and their susceptibility to cyberattacks. These attacks have the potential to cripple the global supply chain systems which is highlighted in the book through the example of NotPetya incident. The authors have also urged the policymakers to be prepared for the same as there is intersectionality between cyber and physical attacks.

Climate change has added another dimension to the complexities of maritime security. The authors have adequately highlighted the intersectionality between climate change and maritime studies through examples like melting arctic and rising sea levels, which further complicate the challenge of securing the seas. They further argue that these challenges are bound to exacerbate the tensions over border and competition for the marine resources.

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The authors conclude by wondering if we are now entering a fifth wave of maritime security thinking—one shaped by the rapid industrialization of the oceans, growing human activity at sea, and the transformative power of new technologies. Above all, they emphasize that climate change is emerging as a defining force, one that will inevitably push the global community to prioritize maritime security more urgently. In their view, the environmental and technological shifts unfolding across the world's oceans will make addressing maritime security not just important, but unavoidable.

While the book could have explored certain areas in greater depth, such as the role of private actors and multilateral efforts, it still stands out as a landmark contribution to the study of maritime security. The volume's thoughtful balance of academic depth and practical insight makes it a valuable resource for students, researchers, and practitioners in international relations and security studies. Instead of providing fixed answers, it encourages readers to think critically about the evolving challenges and questions within the field. As a comprehensive and engaging overview, Understanding Maritime Security offers an excellent introduction to the subject and remains essential reading for both maritime professionals and anyone interested in the dynamics shaping the world's oceans.

Call for Contributions

MP-IDSA invites articles, commentaries and book reviews for publication in *Africa Trends*, a biannual magazine on Africa. Submissions can focus on security, political and economic issues relating to African countries. Articles may focus on analysing bilateral, regional and multilateral developments of strategic significance to India's engagement with African countries.

Articles could be of approximately 2000 words. Commentaries can range between 1,000-1,500 words (excluding footnotes) and book reviews between 600-1,000 words. Guidelines for contributors may be found at: http://www.idsa.in/africatrends. Submissions may be emailed to the Editor at idsa.africatrends@gmail.com.

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