CIVITAS POLICY INSTITUTE

REGIONAL BRIEFING REPORT

Regional Conflict Analysis and Geopolitical Dynamics

Red Sea and Middle East Conflict Spillover

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KEY TAKEAWAYS OF THE REGIONAL BRIEFING REPORT

- **A Complex, Deteriorating Security Landscape:** Violent internal conflicts, expanding terrorism, and rising militarisation are rapidly eroding stability across the Region and weakening trust in diplomatic solutions**.**
- **Escalating Proxy Wars:** Competing global and middle powers are exploiting local fragilities through bilateral military pacts, turning the Horn of Africa into an arena for building strategic footholds and the epicentre of multipolar competition.
- **Israel's Recognition of Somaliland Raises Geopolitical Realignments**: Israel's recognition of Somaliland has accelerated the reshaping of regional alliances, provoking counter-manoeuvres from Somalia, Turkey, and other foreign actors around the Red Sea.
- **Competition Over Economic Corridors:** Contested political-economic bilateral deals over strategic ports and regional trade corridors have intensified friction among external powers and regional states, and this has undermined robust regional economic integration and investment opportunities.
- **Red Sea Geopolitical Contestations**: Naval base expansion and Houthi military gains near the Bab el-Mandeb Strait threaten vital global trade routes and heighten the risk of direct maritime conflict.
- **Regional Democratic Governance Deficit:** Persistent term extensions, compromised elections, and the suppression of civil rights continue to entrench authoritarianism and fuel political instability.
- **Reviving Civil Society for the benefit of promoting democratic governance:** Sustained support for independent civil society networks and media is vital to check government overreach, mediate conflicts, and restore democratic accountability.
- **The Middle East Conflict and Impact on the Horn of Africa:** Spillover from Middle East hostilities and Houthi maritime blockades have directly disrupted trade, inflated regional energy costs, and deepened local proxy conflicts.

EXECUTIVE SUMMARY

The Horn and East Africa region continues to face significant challenges that undermine its stability and long-term potential. The Horn of Africa, in particular, has become an epicentre of proxy warfare and protracted conflict. Persistent diplomatic deadlock among regional states, together with growing external involvement in regional affairs, underscores the need for close, sustained monitoring of an increasingly volatile situation. Amid a rapidly shifting global order, established and emerging powers alike are treating the region as an arena for strategic footholds, deepening its unpredictability. Israel's recognition of Somaliland has heightened geopolitical significance and competition over Red Sea maritime governance, catalysing new security and defence realignments. Addressing current regional tensions requires a mindset grounded in on-the-ground realities rather than externally imposed contestation, and a concerted effort to de-escalate rivalries driven by outside actors. On the current trajectory, the Horn and East Africa appear headed towards further destabilisation: rising militarisation, expanding defence spending, an intensifying search for external military partnerships, and declining confidence in diplomatic solutions to core regional disputes. Internationalising the regional conflict and proxy warfare is making the situation in the Horn of Africa more complex than ever before. As a result, the Horn of Africa and East Africa have become focal points of numerous global conflicts, with consequences for the region's stability and international standing. It is therefore essential to examine the principal drivers of regional conflict: competition over economic corridors, Red Sea and Gulf of Aden trade routes, and the Blue Nile River; the pursuit of military basing rights; terrorism; and the use of securitisation as a political and diplomatic instrument to control strategic areas. In addition, building maritime defence coalitions in the Red Sea and the Gulf of Aden seems to heighten existing tensions and contestations further, as some key stakeholders in the Red Sea are excluded from these alliances. The Civitas Policy Institute report presents a comprehensive review of the Horn and East Africa, highlighting a region severely destabilised by multipolar proxy competition, internal conflicts, and an acute democratic deficit. Escalating tensions and conflict between Ethiopia and Eritrea, and the civil war in Sudan, relate to the issues this regional report discusses in detail.

KEY TAKEAWAYS OF THE REGIONAL BRIEFING REPORT

1. A Complex, Deteriorating Regional Security Landscape

The Region's fragility and the dynamics of international multipolarity have fuelled persistent terrorist networks, a destructive conflict in Sudan, an ongoing political struggle in South Sudan, unsettled elections, and escalating rhetoric between Ethiopia and Eritrea, which now suggests that conflict may flare up and reach the point of direct confrontation. The threat from Al-Shabaab and ISIS in Somalia has grown in recent years, and tensions between Djibouti and Somaliland are increasingly apparent. The political dispute between Somaliland and Somalia has intensified following Israel's recognition of Somaliland, compounding decades-old underlying political tensions.

Insecurity along global maritime trade routes—including the Red Sea, the Gulf of Aden, the Indian Ocean, and, more recently, the Strait of Hormuz—continues to disrupt regional and international commerce due to Houthi attacks in Yemen and piracy along one of the world's busiest shipping corridors. Furthermore, the escalation of the conflict in the Middle East and volatility in the Strait of Hormuz are making the Horn of Africa even more vulnerable and worsening the situation.

Tensions have also escalated between upstream and downstream Nile states, particularly Ethiopia and Egypt, following the 2025 inauguration of the Grand Ethiopian Renaissance Dam (GERD). Political and technical negotiations between the two sides have continued for more than a decade without an amicable resolution. Many political leaders and regional commentators have praised the GERD as one of Africa's significant infrastructure achievements of the twenty-first century; conversely, Egypt protested against the dam's opening, and this conflict over the utilisation of the Blue Nile's water resources has historically been a persistent source of political confrontation and unresolved regional conflict.

Interstate conflict has risen in recent years as terrorist groups and regional rivals exploit growing tensions. Violent ethnic and clan conflict continues to erode regional security, driving humanitarian crises, mass displacement, and prolonged political instability across much of the Region. These conflicts have also attracted proxy involvement, as external actors seek to weaken state authority and expand their leverage, often channelled through non-state armed groups and terrorist entities.

The Horn of Africa is experiencing increasing militarisation—both domestic and externally driven—including weapons proliferation, expanded military deployments, and new defence and security agreements, with particular emphasis on establishing naval and military bases along the Red Sea, the Gulf of Aden, and the Indian Ocean. This trend increases the risk that weapons will be diverted to terrorist networks, particularly in states where central authority is weak or contested.

This growing militarisation also signals a broader erosion of confidence in peaceful, negotiated solutions, as competing powers favour displays of military capability over diplomatic engagement—undermining trust and international solidarity and leaving the Horn of Africa acutely exposed to internal and external shocks.

The conflict in the Democratic Republic of Congo, driven by disputes over natural resource control and weak governance, remains a further source of instability; fighting between government forces and M23-affiliated groups has produced serious human rights violations. A U.S.-brokered peace agreement, developed in coordination with Qatar, helped ease tensions among the DRC, the Republic of Congo, and Rwanda, though the situation remains fragile and sporadic clashes have continued since the accord was signed last year.

Finally, competition for the Region's strategic geography and abundant natural resources compounds conflict across the Horn and East Africa. Some analysts argue that multipolar competition in the Region now exceeds Cold War intensity. Concurrent global crises—in the Middle East and in the war in Ukraine—have further strained the Region by diverting international development aid and humanitarian assistance, leaving millions across the Region, particularly in Sudan, in acute need.

The threat from Al-Shabaab and ISIS in Somalia has a significant effect on security in the Region, and it cannot be dismissed that political conflict among Somalia's political groups, including regional states and the president, whose term expired in May 2026, could further deteriorate the security situation in Somalia; i.e., there have been increasing armed clashes in the southwest capital, Baidoa, in recent months. African Union peacekeeping troops are also facing tougher conditions, including a lack of funding and logistical support. Some countries, like the US, have blamed Somalia for failing to recover after many years, even though international support has continued to strengthen Somalia's security and state-building.

Taken together, these overlapping crises indicate that the Region's security architecture is being tested on multiple fronts—maritime, interstate, and intrastate—leaving little institutional capacity to absorb a new shock. Analysts increasingly caution that these dynamics' deepening effect, rather than any single flashpoint, poses the greatest risk to regional stability. The renewed escalation of the Tigray conflict in Ethiopia alongside Eritrea will again affect regional peace and security, and there should also be humanitarian consequences.

2. Escalating Proxy Wars

These proxy contests over the Region's strategic significance are reckless and threaten broader regional peace and stability. Renewed global attention on the Horn of Africa echoes the ideological competition of the Cold War era and has again left the Region susceptible to exploitation by both state and non-traditional actors.

Multipolar competition has intensified the situation, with major and emerging powers alike treating the Horn of Africa as a testing ground for influence and for access to resources. Proxy dynamics have deepened the diplomatic Deadlock among regional states, undermining security cooperation and intelligence sharing. The Middle East conflict is further exacerbating the Region's existing security, political, and economic fragility.

Key drivers of recent alliance shifts include opposition from Somalia, Egypt, Sudan, and Eritrea to Ethiopia's pursuit of sea access. In the meantime, Egypt has deepened its proxy operations in the Region; Somalia and Eritrea's bilateral cooperation with Egypt illustrates how the Region's most fragile countries are irrationally paving the way for Egypt's decades of proxy warfare in the Horn of Africa.

Israel's recognition of Somaliland has further reshaped regional realignments, while Türkiye's growing involvement in Somalia demonstrates how regional competition and proxy engagement are escalating and evolving. Some political analysts and politicians in Somalia view Türkiye's engagement with Somalia as more akin to old-fashioned colonial domination, exploitation, and tyranny. Many of Somalia's politicians, including those from regional states and opposition groups, argue that Türkiye has not invested in Somalia's state-building and is not an honest broker in the political conflict over Somalia's constitutional and electoral stalemate.

In recent months since the Baidoa conflict began, the Turkish F-16 fighter jet and Turkish drones have been blamed for taking part in the Baidoa conflict, and Türkiye is directly engaged in this conflict. The bombing of civilians landing and taking off in Somalia is reminiscent of the 1988 Hargeysa bombing, which killed thousands of civilians. The international community has not condemned such acts, and those who are blaming the Türkiye government increasingly recognise that Turkish interference in Somalia's internal affairs is not only obnoxious but also that such acts by the Türkiye forces are malicious and unacceptable.

These politicians argue that the Western governments, including the United States, the United Kingdom, and European partners, have invested substantially in Somalia's peace and state-building. By contrast, Türkiye and China have become more interventionist in Somalia's politics and in dominating its rent-seeking economy, while Somalia's state institutions remain ill-equipped to manage these complex, opaque, and non-transparent agreements.

Furthermore, while Somaliland maintains diplomatic relations with Israel and Taiwan, the United States considers its relationship with Somaliland strategically significant—another sign of shifting regional alignment—despite Somalia's growing lean towards China and away from Western-aligned partners, and its favouring of Türkiye and China as a counter to Somaliland's move towards Israel and Taiwan. The result is an increasingly fluid alliance and political and security landscape, with intensifying geopolitical competition as existing and new actors continue to reshape the Horn and East Africa.

The counterterrorism campaign in Somalia has itself become a proxy battleground: some regional commentators allege that certain AUSSOM troop-contributing countries prioritise influence in Somalia's strategic geopolitical landscape over a genuine fight against Al-Shabaab. Meanwhile, competition among non-traditional states in the Region has intensified, even as the broader field of emerging powers complicates efforts to stabilise the situation.

The proliferation of parallel bilateral security arrangements—often negotiated outside formal regional institutions such as IGAD or the African Union—has made it more difficult to build a coherent, region-wide response to proxy competition. Each new bilateral defence pact tends to invite a countervailing arrangement from a rival external patron, entrenching a cycle of alignment and counter-alignment that regional bodies have struggled to mediate.

3. Israel's Recognition of Somaliland Raises Geopolitical Realignments

The political dispute between Somaliland and Somalia has become a major regional flashpoint, with each side building alliances that draw in a widening circle of external actors and proxy conflict. It was apparent that Israel's recognition of Somaliland would reinvigorate existing proxy rivalries and competition over the Region's strategic geography, as Somalia's alliances, such as Türkiye and China, have in recent years begun to sideline Somaliland.

The Somaliland government has expressed greater concern that Türkiye's approach to Somaliland is more diplomatically aggressive and undermines Somaliland's three decades of peace and democracy, as it has repeatedly responded through the media. Somaliland has also consistently maintained that Israel's recognition will contribute to regional peace and stability, and this is against Somalia and Türkiye's diplomatic campaign against Israel's recognition of Somaliland. Some regional analysts view Israel's recognition of Somaliland as breaking the status quo that Somaliland has been for three decades.

Understanding the positions of both Somaliland and Somalia requires attention to the historical process of post-colonial state formation—particularly the merger of Italian Somalia and the British Somaliland Protectorate into the Somali Republic —and to what went wrong in that union.

Somaliland and Somalia have pursued divergent political trajectories for more than three decades, and neither the international community nor regional actors have found a lasting resolution since Somaliland reasserted its sovereignty in 1991. Israel's recognition of Somaliland came after more than three decades in which Somaliland maintained peace and stability and became a leading country in the Region in democratic governance and contributions to regional security and economic integration.

Moreover, some political analysts link Somalia's withdrawal from its agreement with the United Arab Emirates in January 2026 to this broader competition, reflecting Somalia's long-term scepticism that the UAE consistently favours Somaliland. In contrast, Türkiye has consistently sided with Somalia and rejected any diplomatic initiatives from Somaliland. Türkiye devoted more effort to preventing the implementation of the 2024 MOU between Somaliland and Ethiopia and to opposing Israel's recognition of Somaliland in 2025.

The Horn of Africa and the Middle East have maintained people-to-people and trade ties since antiquity, further consolidated in the modern era through expanded trade, security, and socio-economic connectivity. That relationship has historically been dominated by Arab states, several of which have expressed frustration with Israel's recognition of Somaliland. Türkiye, meanwhile, has already established a substantial foothold in Somalia, controlling strategic assets including the port and airport of Mogadishu, offshore drilling rights, and a military training camp and airfield.

Somalia federal and regional states' views of Türkiye's role are divided: some elites regard Turkish engagement as a welcome expression of Islamic solidarity, while others contend that Ankara is principally pursuing its own strategic interests, arguing that Türkiye has delivered limited tangible development after a decade of involvement and instead uses Somalia as ground for bargaining and proxy competition. In addition, some

Somalia politicians and intellectuals raise concerns that Türkiye did not invest in Somalia's state-building, and that contracts signed with the Somalia government were neither transparent nor subject to scrutiny.

Somaliland politicians, most religious leaders, and intellectuals claim that inter-state relationships are properly grounded in shared interests and mutual benefit, and maintain that Israel's recognition followed established diplomatic norms rather than any religious framing. Many regional analysts and scholars, in turn, maintain that Somaliland's case for international recognition rests on distinct historical and political grounds compared with similar cases elsewhere.

Somalilanders strongly supported Israel's recognition, arguing that geopolitical contestation in the Horn of Africa gives Somaliland greater leverage because of its location on the Gulf of Aden, the Red Sea, and the Bab al-Mandeb Strait, which connects to the Indian Ocean, the Suez Canal, and the Mediterranean Sea.

In the meantime, in response to reactions from a number of Islamic nations, Somalilanders unanimously believe that these Islamic countries that oppose Somaliland's recognition by Israel have never contributed to, and helped with, development, state-building, or security, as Somaliland has been dealing for decades with the many difficult circumstances of its post-conflict reconstruction and reinstitutionalisation.

Looking ahead, geopolitics is not only dynamic but also deepening, prompting questions about who will be the leading hegemon. As the Middle East conflict appears to be protracted, the Somaliland President pointed out during a visit to the US that Somaliland–Israel recognition would help promote freedom of navigation and safeguard trade flows in the Red Sea, Gulf of Aden, and Indian Ocean.

Despite Israel's recognition, Somaliland is becoming an increasingly important regional actor because of its geographic location, Berbera port facilities, and untapped natural resources, including critical and rare earth minerals. Therefore, the geopolitical realignment is clear since Israel fully recognised Somaliland in 2025, and this realignment, Somalia and its allies are committed to preventing the recognition of Israel to be more effective and domestically worthwhile; however, the Middle East conflict has its weight and impact on this geopolitical realignment in the Horn of Africa.

A recent visit by the Somaliland President to Washington underscored growing US interest in Somaliland; some observers indicate that what underpins the US interest in Somaliland is security amid the Horn of Africa's move towards new geopolitical momentum of division, conflict and proxy war. President Trump's October 2026 statement also showed that American policymakers' awareness of Somaliland and Somalia has increased dramatically, as he explicitly and coherently differentiated the two countries, noted that many people are sympathetic to Somaliland, and suggested that Somaliland change its name. Somaliland's subsequent governments and general public argue that Somaliland's socio-political resilience and democratic credentials helped the country move forward and resist external pressures and shocks.

4. Competition Over Regional Economic Corridors

China and the United Arab Emirates have become increasingly assertive in developing competing regional economic corridors, and the expansion of multipurpose economic facilities has intensified competition among external actors. The Region's reserves of rare earth and critical minerals, oil, and gas further sharpen this competitive dynamic.

Unlike Cold War-era rivalry, current competition is driven less by ideology than by the pursuit of strategic economic advantage. States along the Red Sea and the Gulf of Aden—particularly those near the Bab el-Mandeb Strait—face heightened diplomatic attention and security risks as this critical trade route comes under increasing pressure. The Horn of Africa's global trade connectivity continues to be shaped by both neoliberal investment models and China's infrastructure-financing approach, which carries its own debt-sustainability risks.

Regional corridors—built and modernized through new ports, railways, airports, roads, subsea cables, and hydroelectric facilities—have attracted substantial international investment and, at times, encouraged joint regional security and diplomatic initiatives. Over the past decade, however, the balance has shifted from cooperation to competition, complicating regional economic integration.

Meanwhile, China and the UAE pursued different investment trajectories in Africa through regional corridors: China trapped Africa in more debt, with loan-based investments, while the UAE relied on direct investment rather than loans. As a result, many African countries struggle with China debt repayments, which place a heavy burden on their economies and GDP.

Some analysts note that China's engagement in Africa, initially framed as non-interventionist, has increasingly extended in recent years into direct proxy competition and middling regional conflicts. Despite this external pressure, several regional states remain intent on preserving their existing influence over regional corridors and the broader political economy, even as the status quo becomes harder to sustain amid growing competition from global and emerging powers.

Diminished trust in diplomatic and economic cooperation continues to hinder regional integration and connectivity. Strained relations between Ethiopia and Eritrea, Djibouti and Eritrea, Somaliland and Djibouti, and Somalia and Somaliland show how unresolved political disputes constrain economic cooperation and the free movement of trade, underscoring the need for renewed political and diplomatic engagement to unlock the Region's economic potential. Contestation over the regional corridors not only increased opportunities for foreign investment but also added value to the geopolitical landscape, in which some countries maintained greater leverage than others over regional issues.

Without a shared regional framework for corridor governance, individual states often negotiate concessions, port leases, and basing rights bilaterally and with limited transparency, increasing the risk of overlapping or contradictory commitments. Strengthening regional coordination mechanisms—so corridor development

complements rather than undercuts neighbouring states' interests—will be essential for these investments to translate into durable economic growth rather than a new source of interstate friction.

5. Red Sea Geopolitical Contestations

Numerous states and actors now hold direct strategic stakes in the Red Sea, the Gulf of Aden, and the Indian Ocean, and the competitive landscape across these waters has become increasingly well defined in recent years. New alliances and shifting international dynamics continue to prolong tensions among regional states. Rising friction between Ethiopia and Eritrea over sea access could, if it erupts into open conflict, significantly disrupt Red Sea and Gulf of Aden trade routes—among the busiest in the world—in an already fragile regional environment.

Houthi forces in Yemen continue to threaten international shipping through the Red Sea and the Gulf of Aden, corridors that connect to the Bab el-Mandeb Strait, the Indian Ocean, and the Suez Canal, and that lie at the heart of global trade connectivity. The conflict in the Middle East and the war in Iran have also intensified contestation and adversarial dynamics along this trade route. Red Sea maritime governance and security are becoming the most contested and multilayered arena.

In addition, as the Houthis advance towards the Red Sea and Bab el-Mandeb, the Horn of Africa and the Red Sea region continue to face persistent challenges, and risks to this route are apparent, while commodity prices are rising as vessels reroute around the Cape of Good Hope. This threat escalated sharply in September 2026, when Houthi forces launched a rapid offensive that enabled them to disrupt the Red Sea coastline, capturing the port city of Mocha and overrunning the strategic island of Mayyun (Perim) at the centre of the Bab el-Mandeb Strait.[1]

The advance pushed Houthi positions to within roughly 20 kilometres of the African coast. More than 2,000 people fled into Djibouti within 24 hours, according to the UN's International Organisation for Migration.[2] Maritime security analysts assess that while the takeover does not fundamentally expand Houthi military capability, it makes it easier for the group to target vessels transiting one of the world's narrowest and most consequential shipping chokepoints, compounding the disruption already caused by Iran's intermittent closure of the Strait of Hormuz.[3]

Competition over the Red Sea and Gulf of Aden, and the number of actors seeking influence over them, has grown markedly. The current atmosphere increasingly resembles the Cold War. Still, with materially higher risk: rather than that era's bipolar structure, today's multipolar order involves a far larger set of emerging and middle powers operating simultaneously across the same strategic space.

[1] "Red Sea Nations Watch as Houthis Seize Bab al-Mandeb Strait." Al Jazeera, September 13, 2026. https://www.aljazeera.com/economy/2026/9/13/red-sea-nations-watch-as-houthis-seize-bab-al-mandeb-strait

[2] "Red Sea Nations Watch as Houthis Seize Bab al-Mandeb Strait." Al Jazeera, September 13, 2026. https://www.aljazeera.com/economy/2026/9/13/red-sea-nations-watch-as-houthis-seize-bab-al-mandeb-strait

[3] "Iran-Backed Houthis Seize Strategic Mayun Island: Can They Hold It?" Al Jazeera, September 12, 2026. https://www.aljazeera.com/news/2026/9/12/iran-backed-houthis-seize-strategic-mayun-island-can-they-hold-it

The establishment of military bases across the Red Sea, the Gulf of Aden, and the Indian Ocean has itself become a source of rivalry, drawing in additional actors. At present, conflict in the wider Middle East, a shifting global balance of power, and the risk that Yemen becomes a haven for regional spoilers and global terrorist networks together pose a substantial threat to international trade passage through the Red Sea and the Gulf of Aden. The piracy that has recently emerged along the Somalia coastline and has hijacked vessels in the Indian Ocean, and the Houthis' association with criminal networks, including pirates and terrorist entities, have an undeniable connection, as non-state armed groups in the Region are growing rapidly.

With both the Bab el-Mandeb and the Strait of Hormuz now subject to direct interdiction threats from Iran-aligned actors, an estimated one-third of global trade moving through the two waterways combined is exposed to disruption, raising the prospect of costlier rerouting around the Cape of Good Hope, higher shipping insurance premiums, and additional strain on Djibouti's port and humanitarian systems as displacement from Yemen continues.[4]

Recent developments in the Region show some states stepping up Red Sea alliances mostly aimed at countering Ethiopia, while countries like Egypt are pushing an agenda beyond the Red Sea because Blue Nile water use remains contested. Egypt, Somalia, Eritrea, and Sudan held a quadrilateral summit in Cairo in October 2026 to showcase an alliance of military and intelligence cooperation meant to counter Ethiopia's ambition for sea access. Because regional economic integration is indispensable, Ethiopia's demand for sea access requires thoughtful initiative and wisdom that promote avenues for inter-regional trade, economic growth, and international investment.

When Somaliland President Abdirahman Mohamed Abdillahi returned to Hargeysa from his long trip to the US, he strongly reacted to the quadrilateral summit of Egypt, Somalia, Eritrea and Sudan, which was held in Cairo in October 2026. He reiterated that any Red Sea alliance excluding Somaliland would be unacceptable and would undermine maritime security and regional stability. Abdillahi also demonstrated Somaliland's solidarity with the Federal Democratic Republic of Ethiopia, emphasising that Somaliland opposes any organised groups or countries committed to destabilising Ethiopia's peace and political stability.

Ultimately, many Red Sea stakeholders argue that neither a single country nor a few countries can dominate the Red Sea's geostrategic and geographical landscape, and that inclusive maritime security and governance are compelling and unavoidable given current regional and global dynamics. Agreement on Red Sea maritime security and governance can pave the way for recent developments, while some countries are forming unholy alliances to deter and antagonise some regional stakeholders.

[4] "Houthis Seize Key Yemeni Island in Bab el-Mandeb, Taking Control of the Strait." Euronews, September 12, 2026. https://www.euronews.com/2026/09/12/houthis-seize-yemeni-island-in-bab-el-mandeb-taking-control-of-the-strait

6. Regional Democratic Governance Deficit

The Horn and East Africa continue to face significant governance challenges. While some states have yet to hold genuinely competitive elections, others hold elections that fall short of free, competitive, multiparty, and credible standards.

A number of governments have pursued or signalled constitutional term extensions and the removal of age limits on leadership—developments that risk undermining democratic aspirations across the continent. The international community should not fail to provide support and observe elections in the Region. Empowering civil society, the media, think tanks, and other key non-state actors could strengthen democratic governance and keep it from falling into the trap of undemocratic regimes. Conflicts in Ukraine and the Middle East have shifted the international community's attention.

The Region has also experienced post-election violence, as illustrated by Tanzania's October 2025 presidential election and Uganda's January 2026 election, in which the opposition raised concerns about the pre-election environment amid reports of unrest. Senator Jim Risch, Chairman of the US Senate Foreign Relations Committee, characterised the Ugandan and Tanzanian elections as staged exercises to legitimise incumbency rather than genuine democratic contests.

Accordingly, the subsequent elections were held in 2026, but all shared characteristics similar to Risch's phrase: an exercise to legitimise power. The upcoming Kenya elections in 2027 are also important to monitor closely and prioritise, as they are more open and competitive, and recent political rhetoric between Kenya's ruling and opposition groups has raised concerns about potential pre– and post-election violence. Therefore, the Institute urges the international community to prioritise support for peaceful, competitive, transparent, and credible electoral processes in the Region.

Since the post-colonial period, the Horn and East Africa have experienced recurring poor governance, coups d'état, civil wars, armed militias, and, in some cases, externally backed authoritarian rule. Several states in the Region have never held genuinely competitive elections, fuelling a persistent cycle of conflict, civil war, and political instability, alongside social polarisation and the rise of armed non-state actors and terrorism.

Another risk is the erosion of international leverage over the Region's governance trajectory, as many leaders disregard civil and political rights with impunity. Even where multiparty elections are held, institutions in several states have failed to keep pace with democratic norms, and peaceful demonstrators and journalists continue to face arrest, intimidation, and, in some cases, lethal force. Regional and continental bodies have largely remained passive in the face of these violations.

Without renewed international engagement on election observation and civic space protections, the Region risks entrenching a governance model that preserves incumbency through procedural rather than genuinely competitive means—further narrowing the space in which citizens can hold their governments accountable. Finally, the international community must pay closer attention to South Sudan's planned elections, where the political situation is volatile, and the risk of pre- and post-election violence may be high.

The Somalia president said, when addressing the UN General Assembly in New York, that Somalia had not held elections since 1969. He insisted that he was committed to holding elections. Still, some regional states and opposition leaders boycotted the current president's announced election timelines, arguing that Somalia must first agree on a constitution and an inclusive electoral framework.

7. Reviving Civil Society in the Region for the Benefit of Promoting Democratic Governance

Civil society and non-state actors are not currently engaging in regional policy dialogue as actively as needed, nor are they consistently responding to violations of civil and political rights. Their active participation across the political spectrum is essential; the current trajectory—tolerating serious rights violations to facilitate competition and alliance-building—risks repeating earlier patterns of ideological rivalry between global blocs as the international political order remains precarious.

Strengthening civil society and non-state actors to engage on elections, conflict resolution, mediation, press freedom, policy dialogue, and civil and political rights is necessary to hold regional leaders and institutions accountable. As many regional governments struggle to manage internal affairs effectively, well-organised and empowered civil society actors can fill critical gaps by supporting institutions in building capacity that respects civil and political rights and fosters a democratic political culture.

Much of Africa's governance challenge stems from weak, non-transparent, and unaccountable state institutions. The role of civil society and non-state actors—including the media, think tanks, academia, faith-based organisations, traditional leaders, diaspora communities, professional associations, women's groups, and youth organisations—should not be underestimated for their influence and policy interventions. For the international community genuinely committed to supporting fragile and failing states, empowering these civil society actors can help to revive their engagement and policy dialogue on regional and domestic issues.

The Institute also underscored that civil society, think tanks, the media, and other non-state actors in the Horn and East Africa region lack effective relationships and do not share information or experience. To address this gap, the Civitas Policy Institute (CPI) is committed to engaging and bridging regional think tanks and civil society by creating a new chapter of regional cooperation, collaboration, and recalibration of issues of regional concern.

If funding gaps constrain and suffocate the movements and debates of civil society, media, and regional think tanks, democracy in Africa will be endangered, and authoritarian regimes and anti-democratic actors may prevail, suppressing democratic dialogue and civic and political rights in the Region. In this regard, CPI recommends that members of the international community pay more attention to this matter.

Mobilising funding for regional think tanks, media, and civil society networks would enable them to hold regional states accountable and build the sustained institutional capacity needed to engage consistently and monitor democratic governance, rather than mobilising only episodically in response to acute crises. Geopolitical pressures and dynamics should not excuse failing to maintain and safeguard civic and political rights or uphold humanitarian principles.

8. Middle East Conflict and Impact on the Horn of Africa

The Middle East conflict has further deteriorated maritime security in the Red Sea, the Gulf of Aden, and the Bab el-Mandeb Strait, as the Houthis regularly threaten trade flows and ships in these waters. The Iran war and closures of the Strait of Hormuz have adversely affected global energy supply; however, because the Horn of Africa relies more on Gulf states trading through the Red Sea and the Gulf of Aden, it is in a more disadvantageous position. The Middle East conflict seems to have further intensified the proxy conflict in the Horn of Africa.

This vulnerability was starkly illustrated in September 2026, when Houthi forces—after a week-long offensive that left hundreds dead—completed their takeover of the Bab el-Mandeb Strait, seizing Mayyun Island and the remainder of Yemen's Red Sea coastline and displacing tens of thousands of Yemenis, many toward Djibouti.[5] The development gives an Iran-aligned armed group direct control over one of two chokepoints, alongside the Strait of Hormuz, through which most of the Horn of Africa's seaborne trade must pass.[6]

There are signs that the Red Sea region will face more serious conflict in the coming years, as the Middle East conflict extends to the Red Sea and the Horn of Africa. Some analysts expect the Strait of Hormuz to remain volatile and believe any agreement between the US and Iran will be unsustainable. As a result, the Red Sea, the Gulf of Aden, and the Bab el-Mandeb Strait will become more important, and trade volume will increase, as an estimated 12% of global trade, 33% of global container traffic, and 12% of global oil supply pass through the Bab el-Mandeb Strait.

Given these geopolitical developments, the situation in the Horn of Africa, particularly in Red Sea maritime governance and security, is becoming increasingly tense, and Iran's proxies, including the Houthis, are now in the spotlight. Competing actors all see the Houthis as enemies and spoilers in the Region.

A number of political commentators view Israel's recognition of Somaliland as a political move that can contribute to Red Sea maritime security and to balancing regional geopolitical power dynamics. As the conflict between Somaliland and Somalia over sovereignty and territorial control has intensified in recent years, there is no doubt that, on both sides, building alliances and confrontation among external actors cannot be ruled

[5] "Houthis Seize Key Red Sea Islands, Complete Takeover of Vital Bab el-Mandeb Shipping Lane." The Times of Israel, September 11, 2026. https://www.timesofisrael.com/houthis-seize-key-red-sea-island-complete-takeover-of-vital-bab-al-mandab-shipping-lane/

[6] "Red Sea Nations Watch as Houthis Seize Bab al-Mandeb Strait." Al Jazeera, September 13, 2026. https://www.aljazeera.com/economy/2026/9/13/red-sea-nations-watch-as-houthis-seize-bab-al-mandeb-strait

out in the near future, given the volatility in the Greater Horn of Africa and the Greater Middle East, which is marked by endless geopolitical aggressions, especially over the blue economy.

If the Houthis consolidate their hold on the strait, regional analysts expect shipping lines and insurers to curtail Red Sea transits further, echoing the pattern already seen around the Strait of Hormuz, with knock-on effects on fuel and food import costs that could deepen existing humanitarian pressures in Sudan, Somalia, and South Sudan.[7]

Iran has targeted infrastructure across the Gulf Arab countries – in Saudi Arabia, the UAE, Iraq, Qatar, Kuwait, Oman and Bahrain. In all, the Islamic Republic has launched at least 135 drone and missile attacks on at least 84 infrastructure sites in the Gulf since the US and Israel launched a bombing campaign against Iran on February 28, Reuters found.[8] Ultimately, the Middle East conflict involves multiple factors and actors with divergent purposes and interests, and reaching sustainable peace and a diplomatic settlement remains far off.

[7] "Iran-Backed Houthis Seize Strategic Mayun Island: Can They Hold It?" Al Jazeera, September 12, 2026. https://www.aljazeera.com/news/2026/9/12/iran-backed-houthis-seize-strategic-mayun-island-can-they-hold-it

[8] Iran's precision strikes picked apart Gulf infrastructure, blunting US war plans, 2026,https://www.reuters.com/investigates/special-report/iran-crisis-infrastructure-attacks/

INTRODUCTION

The Horn and East Africa have experienced turmoil and instability for decades, with competing interventions fuelling sustained volatility. This report examines the Region's historical roots alongside its current, deteriorating trajectory. The geostrategic landscape of the Horn and East Africa has become increasingly attractive to competing external actors. After the Cold War's bipolar rivalry, the Region faced significant hardship and continues to grapple with its legacy.

Since the terrorist attacks of September 11, 2001, the Horn of Africa has been regarded as vulnerable to terrorism, piracy, and other transnational crime. Subsequent attacks in the Region and beyond have illustrated how terrorist networks operate and their ambitions for global expansion.

Some analysts warn that the world is on a dangerous trajectory, as nuclear-armed and conflict-prone powers send destabilising signals through militarisation, rising defence spending, military exercises, and heightened rhetoric—raising the stakes for diplomacy and peaceful conflict resolution. The devastating conflict in the Middle East and the war in Ukraine with Russia testify to a rise in global conflicts. The Horn of Africa is more susceptible to competing camps, all of which are involved in regional issues, given the Region's geographical importance to global affairs.

The BRICS bloc has intensified global competition, with some members positioning themselves directly against the United States, signalling a new era of political, economic, and security uncertainty. The Horn and East Africa risk becoming a battleground, and emerging global dynamics are reshaping the new world order, driven not by ideology but by the strategic political landscape and access to natural resources such as rare earth minerals, the blue economy, and energy.

Although the Region has long faced geopolitical challenges, it has become increasingly vulnerable to insecurity, political instability, terrorism, poverty, and both interstate and intrastate conflict, driven in large part by its strategic location. The conflicts in the Region are not only domestically motivated; external actors are also involved, seeking greater leverage in this geostrategic landscape.

Some analyses now predict that, after the Middle East conflict, the Horn of Africa is likely to face more conflict and destabilisation as competing camps establish their alliances. These include the Saudi-led Red Multinational Maritime Defence Coalition and a defence pact between Saudi Arabia, Türkiye and Pakistan. Israel and the UAE are expected to become more active on Red Sea issues, and India may also seek cooperation or an alliance with Israel and the UAE.

Millions of internally displaced people are spread across neighbouring countries. The war in Sudan has left millions without shelter, food, or clean water, and has driven disease outbreaks. The Tigray region, still recovering from earlier and current conflict, requires continued humanitarian and development support; recent months have brought signs of renewed tension and confrontations between Tigray, the Federal Government, and the Federal Government of Ethiopia, which is also accused of Eritrea's involvement in the

conflict in Tigray and other regrouping armed militias against the Federal Government of Ethiopia. However, Ethiopian Federal Government forces retook Tigray's capital, Mekelle, in October 2026, as well as other cities where TPLF forces withdrew, or some of them joined government forces, as TPLF division is apparent compared to the first round of conflict in 2020.

Violent conflict, extremism, and expanding terrorist networks have heightened the Region's difficulties, fueling weapons proliferation and resource exploitation, weakening economic integration, and obstructing durable resolution of recurring conflicts. Lastly, the competition within the Region's political economy, particularly over strategic corridors, continues to shape regional contestation and attract investment. As the Region confronts a complex and deteriorating situation, empowering civil society and non-state actors remains essential if regional states are to avoid a binary future between state failure and unchecked authoritarianism; the broader civil society and academic debate on strengthening democratic governance must be recalibrated and institutionalised.

REGIONAL SECURITY ANALYSIS

The Horn and East Africa remain highly complex, with numerous stakeholders competing for strategic, economic, security, and political influence. Internal and external factors have driven insecurity, which has intensified in recent years. The Horn of Africa has long been among the continent's most strategically significant regions and is rich in valuable natural resources. It maintains longstanding historical, commercial, religious, and cultural ties with Gulf states, which remain its most dominant external partners.

In recent years, that relationship has evolved substantially, with the UAE, Saudi Arabia, and Qatar becoming more deeply involved in Horn of Africa affairs beyond commercial activity. As a result, the Region now hosts a wider array of traditional and emerging rivalries, including intensifying competition between the United States and China.

Contending actors continue to vie for influence and control over strategic and natural resources. The Region has shifted towards greater militarisation, securitisation, and weaponisation, producing active conflict in some areas and heightening the risk of further escalation elsewhere. Tension between Ethiopia and Eritrea, against the backdrop of their earlier conflict, remains a significant concern, while the war in Sudan continues to deepen regional instability.

In Somalia, Al-Shabaab has recaptured territory previously held by government forces, seizing several strategically important towns in 2025 and 2026. The renewed Tigray conflict with the federal government is reviving the area's existing security vulnerability, and analysts contend that clashes between Ethiopia and Eritrea are not only possible but increasingly inevitable if the diplomatic channels are not restored.

Competition over the Horn of Africa's strategic significance, and the divergent interests of the actors involved, have become a central driver of the deteriorating security environment and the resurgence of terrorist networks. Disputes over maritime access and blue-economy resources are especially critical, with recent proxy dynamics driven largely by efforts to control and exploit natural resources, as well as by Red Sea maritime governance and security.

Proxy competition in the Region has become increasingly severe in recent years, heightening the risk of direct conflict. Rivalry between the United States and China continues to intensify, alongside Russia's sustained engagement in West Africa. The Region now also hosts an expanding set of emerging powers—Saudi Arabia, the UAE, Qatar, Türkiye, Egypt, Israel, Iran, India, and Pakistan—while China's Belt and Road Initiative remain a key vector for exerting regional influence.

Chinese engagement has intensified since the opening of the Taiwan Representative Office in Hargeisa, Somaliland, in 2020. Somaliland has grown closer to Washington, while Somalia has leaned more towards Beijing. Public statements by US Senator Ted Cruz, Chairman of the Senate Foreign Relations Subcommittee, on the possibility of US recognition of Somaliland—and China's embassy in Somalia's response—illustrate the intensity of this great-power rivalry for regional influence.

Regional analysts assess that Türkiye, China, Iran, Qatar, the UAE, and Egypt are all heavily engaged in proxy competition across the Region. This contest for regional influence has serious implications for political stability and economic progress. The Horn and East Africa have remained unstable for decades, and the current era of global pluralism and a multipolar international order has, on balance, not supported the regional cooperation needed to address conflicts that continue to hinder economic growth and security. Rhetoric between Ethiopia and Eritrea over access to the sea has grown increasingly inflammatory, raising the risk of confrontation without renewed diplomatic engagement as the two countries shut down their reciprocal diplomatic missions in Addis and Asmara in October 2026.

Finally, the quadrilateral summit of Egypt, Somalia, Eritrea, and Sudan held in Cairo in October 2026 has added new regional security dimensions, as the Horn of Africa and the Middle East head in unpredictable directions amid unfolding security developments. Engaging multiple actors in the Horn of Africa by exploiting existing security vulnerabilities is not something to be overstated.

The Somaliland-Somalia dispute cannot be separated from these geopolitical dynamics, as the rivalry has deepened over decades of political conflict. Proxy warfare between Ethiopia and Egypt has driven insecurity in the Horn of Africa for decades, and in recent years it has intensified as the battle for control of the blue economy, both rivers and oceans, is increasingly seen not only as an economic matter but as a geopolitical gain.

In addition, Somalia elections disputes and long -term disagreement between Federal government, Puntland and Jubland regional states can help terrorist networks to take the advantage and seize more cities as it was seen on October one of the Somalia clans shown more loyalties to Al- Shababa and publicly announced their cooperation, in this matter, as far as Somalia elections disputes continues, it raises more insecurity issues, the Biadoa recent fght between current regional state president and former president has exposed more security risks that Al-Shabab can inescapably exploit.

REGIONAL CONFLICT ANALYSIS

Conflict within and between regional states has sharply increased in recent years, damaging the Region's international standing and impeding development. While strategic and defence interests, rather than ideology, increasingly drive regional rivalries, the resulting proxy dynamics bear notable resemblance to Cold War-era conflict.

Post-election violence following Tanzania's October 2025 presidential election illustrates how elections can directly affect regional peace and stability; Uganda's January 2026 election, though also marred by unrest, similarly underscored opposition concerns about electoral credibility. Revitalising civil society and non-state actors is increasingly necessary as regional governments continue to constrain civil and political rights, political pluralism, and freedom of expression.

Conflict across the Horn and East Africa in the modern era stems from four principal factors: the colonial legacy of contested borders; ethnicity; the Region's strategic geography; and sustained foreign interventions. These factors have driven conflict throughout much of the Region's post-colonial history, including deep divisions between and within states along ethnic and clan lines.

Border and land disputes have grown more complex as the colonial-era imposition of the modern state system divided families, ethnic groups, and clans across newly drawn borders. Somali communities are a prominent example, though numerous other groups across the Region are similarly divided—a legacy that has proven difficult to resolve and continues to affect the Region's stability and international reputation.

This tension reflects a broader clash between the European model of state-building and African traditions of belonging and lineage within social groups. Major conflicts—including the 1977 war between the Somali Republic and Ethiopia and the 1998 war between Ethiopia and Eritrea—have strengthened nationalist movements and created opportunities for extremists and other spoilers seeking to destabilise the Region.

Al-Shabaab and ISIS, for instance, are expansionist groups that assert that Somali territory ceded to neighbouring states under colonial rule must be reclaimed by force. Many ethnic Somalis in Ethiopia and Kenya likewise hold complex views of their citizenship, and some remain sympathetic to a pan-Somali political identity, contributing to enduring irredentist sentiment.

The Region's conflict trajectory is rooted in longstanding territorial grievances and renewed international interest in its strategic position. Alongside broader disputes—Somalia-Ethiopia relations, which are not currently in active conflict but also show no meaningful cooperation between the two sides, remain suspicious, and the Somalia-Kenya maritime dispute—the Ethiopia-Eritrea relationship has recently deteriorated further, and the Somaliland-Djibouti relationship remains at a stalemate. After decades, direct flights between Hargeisa and Djibouti still don't operate, despite a promised flight time of less than an hour between the two cities.

The Ethiopia-Sudan border dispute, the Djibouti-Eritrea border dispute, and the unresolved political status of Somaliland and Somalia, together with ongoing ethnic and clan conflict, continue to drive regional fragility and undermine social, economic, and political stability.

External actors continue to exploit local conflicts, at times empowering armed militias to sustain instability in pursuit of their own interests. Persistent tensions among ethnic and clan communities—including the Somali community across multiple states—undermine regional stability and are frequently intensified by proxy competition, resource scarcity, and weak governance, with regional leaders often failing to address underlying popular grievances.

Understanding the intensity of great-power and emerging-power competition in the Region requires attention to three principal factors: strategic geography, particularly control of the blue economy and maritime security; abundant natural resources; and the ongoing fight against terrorism. Together, these dynamics have deepened regional competition since the Cold War.

The dispute over the Blue Nile's waters between upstream and downstream states has persisted for decades, marked by proxy involvement and mutual distrust; the opening of the Grand Ethiopian Renaissance Dam has intensified this long-running rivalry. Ethiopia and Egypt—Africa's second- and third-most populous countries—remain locked in a fierce contest over shared water resources. Ethiopia argues the dam will support regional economic growth by providing access to affordable hydroelectric power, while Egypt suspects the dam will reduce downstream flow, posing a serious risk to its economy and food security. This dispute continues to fuel broader regional tension and susceptibility to external interference.

Geography also fuels competition over the Red Sea, the Gulf of Aden, and the Bab el-Mandeb trade corridor, an environment now reminiscent of the Cold War. Ethiopia's pursuit of access to the Red Sea and the Gulf of Aden, the US's growing interest in a military presence in the Red Sea, the Gulf of Aden, and the Indian Ocean, China's strategic foothold in Djibouti, the Gulf states' greater involvement in the Horn, Israel's recognition of Somaliland, and Türkiye's deepening military and economic involvement in Somalia have together intensified competition to build influential regional alliances.

After the Cold War and the collapse of several regional governments, the international community resolved two major separations—Eritrea from Ethiopia and South Sudan from Sudan—yet the Somaliland-Somalia dispute remains unresolved and continues to shape the Region's geopolitical trajectory.

Somaliland reasserted its independence and sovereignty in 1991, a declaration Somalia has never accepted. The African Union, the UN and other global actors underestimated the political and sovereignty dispute between Somaliland and Somalia. But it is indisputable that both sides, Somaliland and Somalia, are now attracting external actors and building alliances for security guarantees, and Israel and Türkiye are at the forefront of competing for influence in the Horn of Africa.

Yemen's collapse has also severely affected regional security and economic stability, given its role as the gateway between the Gulf states and the Horn of Africa. A political settlement in Yemen remains elusive, with

numerous stakeholders complicating peace efforts. Houthi attacks on commercial vessels in the Red Sea and the Gulf of Aden have heightened regional vulnerability, driving up food and fuel prices and enabling significant arms smuggling into the Horn of Africa—conditions that create further opportunities for terrorist exploitation.

Somalia has experienced political instability for decades, with effects that extend across the surrounding Region. Despite the presence of African Union forces since 2007, terrorist groups remain active, and the country's core political disputes remain unresolved. The international community has supported Somalia's adoption of a federal political model, but implementation has proven difficult, and terrorist groups have exploited ongoing disagreement over the provisional constitution and electoral processes.

Within Somalia's political landscape, years of conflict have eroded the trust needed to reach a genuine agreement on power devolution. The federal model Somalia has pursued has tended towards strict clan-based federalism, itself a source of ongoing contestation over national issues, from which terrorist groups continue to benefit.

Declining African Union troop levels, donor fatigue, and growing political conflicts between the federal government and regional states pose significant risks to Somalia's security and to the upcoming elections, which political actors are still grappling with. Disagreements over the electoral framework and the term of Somalia's current president, whose official term expired in May 2026, persist, yet no electoral model has been agreed.

Al-Shabaab has regained momentum, recapturing areas lost in previous years. A political deadlock and conflict over the provisional constitution and elections—between the federal government, regional states, and opposition groups—has led to a stalemate that again threatens Somalia's political stability. Neither the international community nor Somalia's political leaders have adequately addressed the root causes of the conflict that has driven the country's instability and political fragmentation.

Sudan's conflict continues to worsen, as national, regional, and international actors have been unable to compel the warring parties to cease hostilities and pursue negotiations. The conflict is now among the deadliest in the country's history, consistent with Sudan's longer pattern of coups and military rule; its people have rarely had a genuine opportunity to choose their leaders freely.

The former leadership was previously accused of genocide in Darfur, and the current conflict has drawn similar allegations of serious human rights violations from both warring factions. Many analysts assess that Sudan's collapse has accelerated proxy competition and drawn in a growing number of foreign actors. Diplomatic efforts by the United States and other partners have not yet produced a final resolution to the crisis.

Meanwhile, in the already fragmented Sudan, renewed conflict between Ethiopia and Eritrea would pose a serious risk to the wider Region. The Ethiopia-Eritrea tension involves multiple unresolved issues, including border demarcation, sea access, and mutual support for rebel groups—illustrating how interstate confrontation and land-based ethnic conflict continue to reinforce one another.

Egypt's first participation in the African Union Support and Stabilisation Mission in Somalia (AUSSOM) may heighten tensions with Ethiopia over Blue Nile water rights, risking further transformation of Somalia into a venue for proxy competition, which could undermine its fragile political situation and state-building efforts.

Collectively, these conflicts continue to undermine regional and global peace, security, economic growth, and political stability, fuelling proxy involvement, foreign intervention, and the expansion of extremist and terrorist networks. Despite recent external interference, the Region's conflicts remain deeply rooted in border disputes among African states and within ethnic, tribal, and clan communities.

Regional leaders and institutions must develop a comprehensive plan to address Sudan's conflict, and warring parties must halt the violence. The crisis demands greater urgency and sustained political commitment from the African Union and international partners alike. While the path to resolution remains complex, continued international engagement is essential, and a ceasefire that allows safe, impartial delivery of humanitarian assistance should remain the immediate priority.

IRAN, THE STRAIT OF HORMUZ CONFLICT

While the Horn and East Africa face their own distinct set of conflicts, they are not isolated from the wider Middle East conflict, given the two regions' integration through trade and cultural exchange. The war between the United States, Israel, and Iran—and its effects on the Strait of Hormuz, Gulf shipping, and global energy markets—has become one of the most consequential geopolitical and economic developments of 2026, with direct implications for trade costs, fuel prices, and food security across the Horn and East Africa.

On February 28 2026, the United States and Israel launched coordinated strikes against Iran under the codename Operation Epic Fury, targeting nuclear facilities, military infrastructure, and senior leadership. The opening strikes killed Iran's Supreme Leader, Ali Khamenei.[9] Iran responded with missile and drone attacks on Israel and US bases across the Gulf, and the conflict widened as Hezbollah entered from Lebanon and Gulf Arab states—including the UAE, Saudi Arabia, and Kuwait—engaged in direct exchanges with Iran.[10]

On March 4, Iran declared the Strait of Hormuz closed to shipping and warned it would target any vessel attempting to pass, later granting exceptions to ships from states it considered friendly. Commercial traffic through the strait—which, under normal conditions, carries an estimated 20 per cent of the world's oil and gas supplies—collapsed to as few as two tankers a day at the height of the war.[11] A June 17 memorandum of understanding produced a ceasefire and a phased reopening of the strait, though Iran has continued to assert control over transit routes. US Central Command maintains that Iran does not control the waterway and that it has helped facilitate the passage of hundreds of commercial vessels since May, while rejecting Tehran's claim to a right to charge transit fees.[12]

Tensions reignited in early July 2026 after Iran's Islamic Revolutionary Guard Corps struck a Cyprus-flagged container ship transiting the strait. The United States responded with its third round of strikes within a week, hitting roughly 140 Iranian military targets, while Iran launched retaliatory strikes on a Jordanian air base hosting US forces and conducted drone attacks against sites in Kuwait, Qatar, and Bahrain.[13] Tanker traffic through Hormuz, which had averaged roughly 33 crossings a day in the weeks after the June ceasefire, fell to as few as five vessels in a single day as the renewed fighting began; Oman has separately proposed a compromise arrangement under which a southern corridor through its waters would remain open to unrestricted transit, while a northern corridor through Iranian waters would require prior Iranian approval.[14]

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[9] "February 28, 2026 — US-Israeli Strikes on Iran." CNN. https://www.cnn.com/world/live-news/israel-iran-attack-02-28-26-hnk-intl

[10] "2026 Iran War." Encyclopaedia Britannica. https://www.britannica.com/event/2026-Iran-war

[11] "Ships Attacked in the Strait of Hormuz: What That Means for Ongoing Talks." Al Jazeera, July 7, 2026. https://www.aljazeera.com/news/2026/7/7/ships-attacked-in-the-strait-of-hormuz-what-that-means-for-ongoing-talks

[12] "US Insists Iran 'Does Not Control' Strait of Hormuz." Radio Free Europe/Radio Liberty. https://www.rferl.org/a/iran-war-us-hormuz-oil-blockade-gulf-israel/33640284.html

[13] "US Strikes Iran After Ship Attack in Strait of Hormuz." CNN, July 11, 2026. https://www.cnn.com/2026/07/11/world/live-news/iran-war-trump

[14] "Tanker Traffic Through Strait of Hormuz Slows After Iranian Attacks Trigger Renewed Fighting with U.S." CNBC, July 9, 2026. https://www.cnbc.com/2026/07/09/iran-strait-hormuz-oil-tanker-traffic-gulf-trump.html

The economic consequences have been severe and global in reach. The International Energy Agency has characterised the disruption as the largest supply shock in the history of the global oil market; analysts at the Council on Foreign Relations have estimated that a prolonged closure of the strait could push oil prices towards $170 a barrel, up from roughly $70 before the war, with meaningful spillovers into fertiliser and industrial gas markets.[15] The World Bank projects that energy prices will rise by 24 percent in 2026 and overall commodity prices by 16 percent, driven by an estimated loss of roughly ten million barrels per day of oil supply at the conflict's peak; inflation across developing economies is projected to average 5.1 percent this year, a full percentage point above pre-war expectations.[16]

Economists at the Centre for Economic Policy Research estimate that even a relatively contained, one-quarter closure of the strait could add roughly 0.6 percentage points to US headline inflation in 2026.[17] The International Monetary Fund has emphasised that the shock is asymmetric, hitting energy-importing and lower-income economies hardest. The World Trade Organisation has warned that sustained high oil and gas prices could shave 0.3 percentage points from forecast global GDP growth for the year.[18]

The disruption has also reached beyond the Gulf. Analysts at the Atlantic Council note that Sri Lanka and other import-dependent economies in South and Southeast Asia have been on the front line of the resulting energy shock, even as some African gas exporters stand to benefit from a longer-term shift toward supply diversification.[19] Within East Africa, oil-import-dependent economies have faced similar pressure on fuel costs and household budgets, illustrating how directly a war centred on the Gulf reverberates into the Region this report examines.

Financial markets have, on balance, proved more resilient than initial fears suggested: US equities reached new highs even as the conflict continued, buoyed in part by optimism about artificial intelligence-driven growth, while bond yields remained elevated and analysts cautioned that a renewed break above $100 per barrel remained possible should Strait of Hormuz traffic fail to normalise.[20] For the Horn and East Africa, the durability of any lasting U.S.-Iran-Israel settlement—and the security of the Strait of Hormuz and Bab el-Mandeb corridors together—will remain a central determinant of regional trade costs, fuel prices, and food security through 2027.

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[15] Fishman, Edward, et al. “How the Iran War Ignited a Geoeconomic Firestorm.” Council on Foreign Relations, March 17, 2026. https://www.cfr.org/articles/how-the-iran-war-ignited-a-geoeconomic-firestorm

[16] “Commodity Markets Outlook, April 2026.” World Bank Group, April 28, 2026. https://www.worldbank.org/en/news/press-release/2026/04/28/commodity-markets-outlook-april-2026-press-release

[17] “Quantifying the Impact of the Iran War on US Inflation.” Centre for Economic Policy Research, VoxEU. https://cepr.org/voxeu/columns/quantifying-impact-iran-war-us-inflation

[18] “How the War in the Middle East Is Affecting Energy, Trade, and Finance.” International Monetary Fund Blog, March 30, 2026. https://www.imf.org/en/blogs/articles/2026/03/30/how-the-war-in-the-middle-east-is-affecting-energy-trade-and-finance

[19] “How the Iran War Could Shift Energy Policies Around the World.” Atlantic Council, Global Energy Center. https://www.atlanticcouncil.org/blogs/energysource/how-the-iran-war-could-shift-energy-policies-around-the-world/

[20] “100 Days of the Iran War: How Global Markets and the Economy Have Been Affected, in Charts.” CNBC, June 7, 2026. https://www.cnbc.com/2026/06/07/iran-war-100-days-trump-stocks-sp500-bonds-oil.html

The regional risk picture darkened further in September 2026, when Yemen's Iran-aligned Houthi movement completed a rapid offensive that gave it effective control of the Bab el-Mandeb Strait, capturing the port of Mocha and the island of Mayyun after a week of fighting that left hundreds dead and displaced tens of thousands of Yemenis toward Djibouti.[21]

With Iran's forces continuing to assert authority over transit through the Strait of Hormuz and the Houthis now positioned to interdict shipping at Bab el-Mandeb, an estimated one-third of global maritime trade passes through waterways now subject to the direct or indirect control of Iran-aligned forces—a dual-chokepoint dynamic that shippers had not previously had to price into their routing decisions.[22]

The conflict in the Middle East has a major impact on the Horn of Africa and East Africa, as the Region has long historical ties and has shared trading relations with the Middle East for centuries. The Yemeni-recognised government, backed by Saudi Arabia, announced in October 2026 that recapturing the port of Mocha and attempting to secure the Bab al-Mandeb Strait would relieve pressure on this trade corridor. However, maintaining control in these strategic locations is not guaranteed amid unfolding regional volatility.

POLICY RECOMMENDATIONS

Establish a Joint Regional Coordination Mechanism: Regional leadership, alongside international partners, should establish an overarching coordination framework to address urgent active crises, particularly securing a ceasefire in Sudan, closely monitoring South Sudan's planned elections, resolving Somalia's electoral Deadlock, and de-escalating tensions between Ethiopia and Eritrea. Restoring regional peace and stability must be a priority for the regional and international community; the US's repeated calls for Sudan to de-escalate conflict and respect humanitarian access are commendable and should be taken seriously. Some specific regional long-term conflicts must be reexamined and resolved; these include Somaliland–Somalia, Djibouti–Eritrea, Ethiopia–Eritrea, and South Sudan's internal fragmentation.

Revitalise Regional Frameworks: Shift away from competing bilateral security pacts and reinvest in sub-regional and continental mechanisms—such as IGAD and the African Union—to establish transparent, shared governance for economic corridors, port access, and maritime security. Regional integration requires greater political commitment and shared values among states and people in the Region, including peaceful coexistence and shared prosperity.

Empower Independent Civil Society and Media: The international community must prioritise funding and support for independent local think tanks, media, and civil society networks to restore democratic accountability, monitor human rights violations, and foster non-state diplomatic dialogue.

[21] "Houthis Seize Key Red Sea Islands, Complete Takeover of Vital Bab el-Mandeb Shipping Lane." The Times of Israel, September 11, 2026. https://www.timesofisrael.com/houthis-seize-key-red-sea-island-complete-takeover-of-vital-bab-al-mandab-shipping-lane/

[22] "Houthis Seize Key Yemeni Island in Bab el-Mandeb, Taking Control of the Strait." Euronews, September 12, 2026. https://www.euronews.com/2026/09/12/houthis-seize-yemeni-island-in-bab-el-mandeb-taking-control-of-the-strait

Prioritise Electoral Integrity and Democratic Reform: International actors must engage constructively in regional election observation and in protecting civic space to prevent authoritarian consolidation and pre- and post-election violence.

Secure Red Sea Maritime Governance: Develop an inclusive maritime security framework along the Red Sea and Gulf of Aden corridors, including all key regional stakeholders, to reduce reliance on external military coalitions and mitigate Houthi and piracy threats to global trade.

Encourage regional dialogue and policy forums: as geopolitical dynamics and a multipolar international order shape the regional and global outlook, expanding policy dialogue forums is indispensable and should help de-escalate tensions, prevent conflict, and facilitate diplomatic and peaceful resolutions.

CONCLUSIONS

The Horn of Africa and East Africa continue to face long-term fragility, division, and civil and political conflict, which constrain regional economic growth, investment, and the development of shared approaches to security and stability. The Horn of Africa, in particular, remains more vulnerable and fragile than the rest of East Africa.

Despite the Region's considerable potential, competition among member states and external interventions have fuelled further conflict, fragmentation, and erosion of the shared values needed to sustain regional peace and security. Continued tension will ultimately serve no party's interests, including those seeking to exploit the Region's resources and strategic position.

Effective political and diplomatic dialogue remains the most viable path to reducing tension and preventing broader confrontation. At its core, the Region's enduring conflicts reflect a persistent lack of regional harmony on shared concerns. Strengthening regional and sub-regional institutions will be essential to building the trust and cooperation needed to move forward.

The Institute encourages the full use of existing conflict-resolution mechanisms to sustain regional aspirations for integration, peace, and prosperity. Civil society and non-state actors play a crucial complementary role in political and security matters, as well as at the grassroots level. Achieving durable peace and stability will ultimately depend on the Region's state actors' willingness to overcome the challenges before them.

Given the scale of regional conflict and political tensions, regional leaders and the international community should establish a joint coordination mechanism to assess the situation and pursue durable solutions. Pressing issues include the conflict in the DRC, the war in Sudan, South Sudan's political fragility, rising tensions between Ethiopia and Eritrea, and Somalia's electoral dispute.

The Red Sea and Gulf of Aden trade routes also face escalating challenges in recent years, undermining freedom of navigation and international trade as unknown projectiles and drones hit ships in the Bab al-Mandeb, Red Sea and Gulf of Aden despite threats from the Houthis.

External actors, regional states, and bilateral and multilateral institutions alike must commit to sustained engagement on peace and stability. Otherwise, continued volatility and political fragmentation will further complicate efforts to stabilise the Region's strategic landscape. The international community should support regional leaders in strengthening regional, sub-regional, and continental institutions as effective instruments for resolving disputes, and in recalibrating the mandates and capacities of the African Union and its regional bodies.

Achieving a durable balance of power across the Horn and East Africa remains a significant challenge. The Horn of Africa in particular has become a stage for proxy competition and foreign intervention aimed at leveraging the Region's strategic importance. External actors with a stake in the Region's geopolitical

significance should remain engaged in de-escalation efforts; continued proxy competition and destabilization will ultimately produce a zero-sum outcome for all parties involved.

Regional leaders must also demonstrate political will to address the internal drivers of instability—ethnic diversity, social polarisation, resource scarcity, weak governance, and poverty—chief among them. Strengthening regional coordination, empowering regional and continental institutions and civil society, and reducing dependence on external actors to set the Region's priorities will be essential steps towards a more stable and self-directed future for the Horn and East Africa.

Root Causes Remain Unaddressed as protracted conflict and recurring state fragility stem primarily from unresolved domestic issues—including weak governance, social polarisation, unmonitored and undemocratic elections, and border disputes—which external powers exploit for proxy leverage. Unchecked proxy dynamics and external militarisation ultimately yield outcomes that undermine both local development and global security interests.

The Middle East conflict comprises many aspects of strategic, economic, military and ideological factors that cannot be dismissed, as the war triggered the concepts of Sunni vs. Shia; in particular, the Houthis' attacks on Saudi Arabia, which is the custodian of the Islamic holy centres of the pilgrimage, now appear to have raised rivalries between Sunni and Shia. In fact, this has a lot of repercussions, as many Millions of Muslims frequently go on the Hajj pilgrimage for ritual purposes as mandatory in Islam, and those who were travelling to Hajj already suffered some of the Houthis attacks that hit Riyadh International Airport in October 2026.

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