

14th Ministerial Meeting of the Horn of Africa Initiative

13 October 2022: Washington DC

Communique

We, the Finance Ministers of Djibouti, Ethiopia, Kenya, Somalia, and South Sudan, held the 14th Ministerial Meeting of the Horn of Africa Initiative (HoAI) today in the margins of the World Bank / IMF Annual Meetings. It provided an opportunity to welcome recently appointed Ministers of Finance from Somalia and South Sudan, and to sincerely thank H.E. Amb Ukur Yatani, outgoing Cabinet Secretary of National Treasury, Kenya, for having chaired the Initiative during the past year and overseeing significant progress, notably on policy harmonisation, during this period.

We acknowledged and appreciated the continued high-level support and commitment of our Development Partners (DPs) — the African Development Bank, the European Union (EU) and the World Bank Group — and also welcomed new Vice Presidents from the African Development Bank and the World Bank respectively. The support of the Vice Presidents and the EU Commissioner for International Partnerships (INTPA) has been instrumental in advancing the Initiative. We also appreciated the continued technical support and participation of the Intergovernmental Authority on Development (IGAD) and welcomed as observers, representatives from Japan and the United States, which reflects interest being shown by other donors in the Initiative. We look forward to their fuller involvement in the Initiative in line with the Framework for Participation for New Development Partners.

We listened with interest to the remarks made by South Sudan regarding their operational integration within the Initiative. We noted that their priorities and policies were in line with that of the programme underlying the Initiative. Adjustments would need to be made to the priority package in order to accommodate specific projects such as power interconnection with Ethiopia and the extension of transport corridors from Kenya and Ethiopia to South Sudan, as well as being included under some regional projects already approved or under preparation. We also support South Sudan's endorsement of the Trade Facilitation Roadmap, which was formalised through signature of our Joint Declaration on Trade Facilitation at the end of the meeting.

Climate shocks continue to threaten the Horn. We further reviewed the drought and food security situation in the Horn which remains of highest concern. We discussed regional cooperation on food security in the Horn, possible national and regional responses, complementing ongoing and planned initiatives to strengthen resilience, while also improving preparedness to address disasters. More specifically, in order to improve water management and flood control, we requested that a study of water catchment systems in HoA be launched quickly.

We discussed ongoing and planned targeted investments for resilience, water, agriculture, pest control and value chains, including in the borderlands. We look forward to receiving greater technical and financial assistance for deepening programs aimed at boosting resilience, food security, trade and market ecosystems in the Horn, enabled by backbone energy, digital and transport infrastructure. We also recognise that the region already benefits from significant national and regional investments in these areas. It is thus incumbent upon us to ensure they are implemented as efficiently and effectively as possible so that their ambitious objectives are

achieved. In this context, it will be essential to map all interventions and explore synergies among projects to ensure green, resilient and inclusive development. Furthermore, we recognise that the challenges are multisectoral and addressing them requires intra-ministerial collaboration across the Horn, as is already the case for trade facilitation.

We appreciate the update on the implementation status of the HoAI package and how regional cooperation and harmonized regional policies are essential during implementation. We also recognize that the basic framework of the Initiative and its priority package was agreed upon three years ago, even though broad priorities have been validated at various Ministerial meetings. Since then, the external and internal situation within the Horn has changed and additional countries have joined the Initiative. We propose that a review and updating of the US\$15 billion HoAI package of priority projects and programs that was approved in October 2019 be undertaken during 2023.

As a complement to the above review, it remains important to widen the group of stakeholders. Outreach to the private sector needs to be given priority and we request for a presentation in early 2023, on the most effective approach for achieving this goal. We note with satisfaction that the total financial resources approved or under consideration has reached US\$8 billion of concessional financing for projects under the priority package. It will be opportune to analyze how much of this investment has responded to the priority package, and how much was aimed at specific emergent priorities such as desert locust and Covid-19. We support continued outreach efforts to other development partners to augment the current investments and increase the available resources for implementation, while preserving the country-led focus of HoAI. We also reconfirm the need to replenish the multi-donor trust fund, which provides essential resources for analytics, project preparation and the operations of the HoAI Secretariat.

We are committed to providing our continued support to advance key policy areas of trade facilitation, digital integration, and energy trade. The basis for trade reform has been established and we intend to maintain the momentum created during the current year. To this effect we confirm our intention to, prior to the end of the year, adopt the rules governing the inter-governmental Trade Facilitation task force and name its members. This will also provide support to the development objectives of the projects under Pillar 2 of the Initiative. We look forward to similar harmonization of policies and effective action in the areas of digital integration and energy trade.

Moving forward, as per the work programme presented today, we propose that the 15th HoAI Ministerial chaired by Kenya be held in early 2023 and discuss progress in various areas discussed today, including impact. We instruct the Secretariat to flesh out the format and other details of the meeting in due course in collaboration with national focal points and the DPs. We also endorsed the proposal to hold a special session of the HoAI Ministerial in May 2023 on the margins of AfDB's Annual Meetings in Sharm-el-Sheikh, Egypt. Finally, in line with our decision to have the Chairmanship of the Initiative rotate periodically, we decided that after Kenya, the Chair will rotate to Ethiopia for 2023.