

12th Ministerial Meeting of the Horn of Africa Initiative

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Communique

We, the Finance Ministers of Djibouti, Ethiopia, Kenya, and Somalia, held the 12th Ministerial Meeting of the Horn of Africa Initiative today in the margins of the World Bank / IMF Spring Meetings. H.E. Amb Ukur Yatani, Cabinet Secretary of National Treasury, Kenya chaired the meeting.

We acknowledge the continued support and commitment of our Development Partners (DPs) — the African Development Bank, the European Union (EU), and the World Bank Group — and thank them for their support in advancing the Horn of Africa Initiative (HoAI). We also appreciate the continued technical support of the Intergovernmental Authority on Development (IGAD). We are happy to see H.E. Agak Achuil Lual, Minister of Finance and Planning of South Sudan, attended the meeting and that South Sudan was welcomed as a full member and look forward to working closely with the country on the regional integration agenda supported by HoAI.

Covid-19 and climate shocks continue to threaten the Horn, coupled with the situation in Ukraine on wheat, cereals, food products exportations and price. Even as Covid-19 appears to be abating, climate change is aggravating droughts and food insecurity. We reviewed the drought and food security situation in the Horn with an anticipated 49 million people in the region expected to be at risk by September 2022 and we discussed possible national and regional responses. These development challenges highlight the need for targeted investments for resilience, water, agriculture, pest control and value chains including in the borderlands, while also strengthening disaster risk financing to ensure preparedness in dealing with contingencies such as the fire in Somalia. We call for greater technical and financial assistance for emergency and medium-term programs aimed at boosting resilience, food security, trade and market ecosystems in the Horn.

We note that as the Initiative has matured, the Ministers need to be updated on the implementation status of the HoAI package and how regional cooperation continues to be the bedrock during implementation; widen the group of stakeholders with initial outreach to the private sector; further outreach to other development partners to complement the current DPs; and need to accelerate project preparation in countries that are lagging in implementation to ensure all countries are moving forward. As it was done at the HoAI Ministerial in Brussels in February 2022, efforts should be continued to bring on board new DPs while preserving the country-led focus of HoAI.

We see a nuanced focus of the Initiative on implementation issues and on “soft” policy harmonization to enhance the enabling environment for the investment operations. The summary outline of policy priorities on trade facilitation and energy trade presented by the stakeholders will serve as a starting point for catalysing policy harmonization in trade and energy. Similarly, the role of private sector in maximizing finance for development cannot be overstated. Private sector engagement and public-private partnerships ensure sustainability and greater ownership of development processes and will play an important role in bridging the financing

gap to complement the support from HoA Governments and the development partners. We propose that the members set up task forces of on policy harmonization and private sector engagement, respectively, to draw up a concrete menu of actions that can be undertaken by the members of the Initiative for leveraging higher results from investments. We call upon the development partners to provide required technical assistance to the task forces so that they can finalize the action plans within reasonable time to us.

We are happy that the Initiative has mobilized over US\$4.5 billion of concessional finance for projects under the priority package. We look forward to the development partners to scale up their support to the HoAI priorities. We reaffirm our commitment to work with the development partners to continue the outreach for maximizing finance for development in the Horn of Africa, including through the Multi-Donor Trust Fund to support project development and investments.

We thank H.E. Amb Ukur Yatani, Cabinet Secretary, for his collegial and effective leadership and the Head of the Secretariat for overseeing the activities of the Initiative on his behalf.

We propose that the 13th HoAI Ministerial to review implementation progress of the HoA package, policy harmonization in trade and energy, and progress in bringing in other donors and private sector engagement be convened in Mombasa in June 2022. 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 welcome the idea of convening a meeting of the Heads of States in 2023 to showcase the achievements of the Initiative, and to raise its profile at the highest level.