

## **Horn of Africa Initiative Communique from Finance Ministers Meeting**

We, the Finance Ministers of Djibouti, Ethiopia, Kenya and Somalia, met virtually today, 27 October 2021, around the World Bank Group/ IMF Annual Meetings. This was our ninth meeting on the Horn of Africa Initiative. We would like to acknowledge the continued support and commitment of our Development Partners (DPs) — the African Development Bank, the European Union, and the World Bank Group — and thank them for their participation in this meeting and for helping advance the Horn of Africa Initiative.

As in during previous gatherings, IGAD attended as an observer, continuing to bring its knowledge to enhance the programme. We recognise that much has changed since the programme underpinning the Initiative was formulated two years ago. The Horn of Africa has been facing emerging challenges that have no borders such as Covid-19, locust invasion and climate shocks, and there is an increasing need to deal with these challenges through a collective regional approach. Our discussions today underscored the continued high political relevance of the HoA Initiative, in spite of political challenges, and of the benefits of economic integration for the sub-region.

The HoA Initiative has so far mobilized about US\$4bn from the three development partners to finance critical regional priorities in transport connectivity, energy trade, digital economy, trade facilitation, agropastoralism, locust control and building resilience. We, together with our partners, intend to continue mobilising resources during the coming year so as to close the financing gap of the US\$15bn HoA Initiative priority financing package developed in October 2019, and leverage the regional envelopes of the ADF and IDA to augment national allocations.

The need to strengthen resilience remains a priority and a challenge for the African subcontinent. It remains a source of fragility but also presents under-exploited growth opportunities. Strengthening resilience to weather and related shocks and to strengthening adaptation will be critical for our communities, and addressing them in a coordinated manner remains our objective. We confirm that strengthening resilience through a regional approach is the key to tackling the emerging challenges, and we are fully committed to moving forward with the priority projects. To this end, as part of the ongoing efforts to mobilize resources to implement the HoA package, we will continue to collaborate with the DPs to tap into resources from global finance facilities such as those expected from the UN Climate Change Conference (COP26) to cofinance some

of the projects. During today's meeting, we confirmed that the periodic rotation of the Chair to Kenya would take place this year.

We noted with satisfaction that the support to the Chair currently financed by the EU would be taken over by the World Bank under the newly-established Horn of Africa MultiDonor Trust Fund, with initial financing from the EU, and as we had requested previously, steps have been taken to ensure continuity in the support. Our capacity to manage and coordinate the Initiative has also been significantly enhanced thanks to National Advisers to Focal Points funded by the African Development Bank.

The meeting closed by thanking Minister Ilyas Dawaleh for effectively leading the HoA Initiative over the past two years and recognizing his invaluable efforts and the leadership of the Government of Djibouti.