

Horn of Africa Initiative Communique from Finance Ministers Meeting

We, the Finance Ministers of Djibouti, Ethiopia, Kenya, and Somalia, met virtually today, 31st March 2021, during the World Bank Group/IMF Spring Meetings, to take forward our efforts to foster economic integration under the Horn of Africa (HoA) Initiative. At today's Roundtable, we welcomed the continued participation of Sudan as an observer and of IGAD. We welcomed Sudan's progress in re-engagement with the International Financial Institutions, and agreed to quickly consider including Sudan as a regular member of the HoA Initiative and to consider how IGAD's knowledge can be utilized to advance the Initiative. We would like to acknowledge the support and commitment of our development partners — the African Development Bank, the European Union, and the World Bank Group — in helping advance the Horn of Africa Initiative.

Our region shares a lot in common and we reiterate our strong commitment to economic integration and regional cooperation in the Horn. Through our bilateral channels and intergovernmental organizations like the African Union and IGAD, we will continue to strengthen our political and diplomatic dialogue for our common good and the betterment of our people. In parallel, we see a strong need for continuing our cooperation to, ensure economic recovery from the adverse impact of the Covid19 pandemic, address the effects of climate and other shocks on food security and accelerate regional trade in goods and services. The HoA Initiative provides a platform for our governments to support the dialogue and cooperation in these matters and to secure critical financing to back our efforts. We, as Finance Ministers, are committed to continuing to lead the important work of the HoA Initiative.

We reiterate the call from the World Health Organization, Africa Centre for Disease Control and Prevention and others to accelerate the supply of Covid19 vaccines for African countries. This is a top priority for all our countries and for ensuring economic recovery and helping the Horn to build back better. Without timely distribution of the vaccines, our efforts to fully realize the benefits of deepening integration will be delayed. We thus note the commitment of various development partners to help finance the vaccines and their delivery through ongoing and parallel country efforts.

The HoA Initiative has so far mobilized over \$3.3bn 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 appreciate that these projects are likely to be approved and ready for implementation during the next year. Over the coming months, we also propose to

reach out to other partners and the private sector to join efforts to finance the remainder of the \$15bn HoA Initiative priority financing package developed in October 2019. Subject to the resumption of normal travel, we will aim to organize a head of the state event later in the year to seek the guidance of our leaders in taking forward the next phase of economic integration priorities under the HoA Initiative.

At our last meeting in October 2020, we recognized that investment in infrastructure and other physical assets is a necessary requirement for deepening integration. We, however, recognize that this will not be sufficient. Today, we discussed the need for policy actions to accompany physical investments in order to expand regional markets and provide benefits at scale. The importance of accelerating project preparation activities including feasibility and design work for infrastructure projects was also underlined. We welcomed the main outcomes from the two technical workshops on digital and energy held during March. We have asked our teams to further consult and present to us by the end-June a set of initial policy actions on trade facilitation and addressing Non-Tariff Barriers during the recovery period and helping us take forward the AfCFTA agenda.

We thank Minister Ilyas Dawaleh for effectively leading the HoA Initiative over the past year and have requested him to continue with the chairmanship till towards year's end. The Chair will continue to be supported by an adequately staffed Secretariat to be financed under the newly established HoA Multi-Donor Trust Fund. The proposal of the Chair to also support Focal Points will be considered in due course.

Regional integration and the HoA Initiative are integral components of the recovery from the current crisis, which is necessary to build the markets and jobs for the future that will help our people thrive. As Ministers, we move forward together to strengthen connectivity in the Horn; build the trade and markets necessary for inclusive, resilient, and sustainable growth; continue to strengthen the human capital in the face of the COVID crisis; reinforce resilience to climate and other shocks. The urgency to advance is stronger than ever and we will continue to work with each other and with all partners to advance this important agenda. To this effect, we will also consider scheduling HoA Ministerial Meetings on the basis of a predictable quarterly timetable.