

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

We, the Finance Ministers of Djibouti, Ethiopia, Kenya and Somalia, gathered in Brussels today, 15 February 2021, on the margins of the African Union (AU)-European Union (EU) summit. This was our eleventh meeting on the Horn of Africa Initiative, the first under Kenya's Chairmanship. It was co-chaired by H.E. Amb Ukur Yatani, Cabinet Secretary of Kenya, and H.E. Ms Jutta Urpilainen, EU Commissioner for International Partnerships.

We would like to 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 participation in this meeting and helping to advance the Horn of Africa Initiative (HoAI). As during previous gatherings, the Intergovernmental Authority on Development (IGAD) attended as an observer, continuing to bring its knowledge to enhance the programme underlying the Initiative. For the first time, a number of EU Member States attended the Ministerial. It demonstrates Team Europe's unity and political commitment to support the Initiative and the Horn of Africa region. We welcome this initial outreach to a wider group of development partners, appreciate their support and look forward to further discussions. We also extend an invitation to all interested partners to join this initiative.

We recognise that much has changed since the Initiative was launched two years ago. The Horn of Africa continues to face Covid-19 and climate shocks. While the overall design of the programme underpinning the Initiative remains sound and highly relevant, the exchanges have highlighted the need to give greater emphasis on resilience, notably in borderlands, and accelerating policy actions, notably in the area of trade. We recognise that there is an increasing need to deal with these challenges and take advantage of opportunities through a collective regional approach. Furthermore, our discussions today underscored the continued high political relevance of the HoAI in spite of political challenges, and the benefits of economic integration for the sub-region.

We are pleased that the HoAI has so far mobilized over US\$4.5bn from the three development partners for projects which have either been approved or are in advanced stage of preparation. These cover critical regional priorities in transport connectivity, energy trade, digital economy, trade facilitation, agropastoralism, locust control and building resilience. Furthermore, the EU confirmed in today's meeting its continued financial support and is now ready to step up its support to the Initiative. Commissioner Urpilainen announced that the EU has achieved its programming exercise and committed EUR 29 billion for sub-Saharan Africa for the period 2021-27. Of that money EUR 10.2 billion will be devoted to regional cooperation initiatives in Sub-Saharan Africa. In addition, EUR 1.6 billion has been allocated for bilateral envelop for the six Horn of Africa countries for the period 2021-2024. Priorities of the Team Europe's action in the region coincide fully with the pillars of the Horn of Africa Initiative.

As part of the ongoing efforts to mobilize resources to implement the HoAI package, we will continue to collaborate with the DPs to tap into resources from global finance facilities such as those committed during the UN Climate Change Conference (COP26), to co-finance some of the projects.

Furthermore, experience during the past few months has shown the value of having resources under the MDTF to accelerate project preparation, fund the Secretariat's support team and hold technical and stakeholder workshops. This Fund's resources mobilised so far from the EU are insufficient to meet the demand and we call on other donors to provide additional financing to support high priority activities, by joining the MDTF or directly co-financing projects through the DPs. We also wish to thank the AfDB for its continued support of the Initiative's implementation, as reflected in the announcement whereby the contracts of National Advisers would be renewed for another year.

Following an effective chairmanship by Djibouti during the past two years, Kenya is now ensuring the new Chairmanship of the HoA initiative as of 17 December 2022. It provided us with the opportunity to review and express our support to the 2022 work programme proposed under the Initiative, including the proposed mid-term review during the second half of 2022. We also noted with satisfaction that National and Regional consultations on trade harmonisation had been initiated. We look forward to being presented at the next HoAI Ministerial meeting with the outcome of this work, including concrete proposals and policy actions to help advance the regional integration agenda.

We thank H.E Ilyas Moussa Dawaleh, Minister of Economy and Finance in charge of Industry and H.E. Amb Ukur Yatani, Cabinet Secretary for having ensured a smooth transition in leadership of the Initiative. We congratulate Kenya for naming a new Head of the Initiative's Secretariat and providing the HoAI support team with the means to work effectively. We also thank the European Union, and in particular Commissioner Jutta Urpilainen, for having organised this important Ministerial in Brussels. The meeting closed with an agreement to hold the next HoAI Ministerial meeting around mid-April 2022, as a side event during the WB-IMF Spring Meeting.