Horn Of Africa Initiative

Ministerial Meeting in Brussels

15 February 2022

Looking ahead to 2022
Coverage of this presentation

1. Overview of where we are
2. Progress in establishing the Secretariat in Nairobi
3. Main elements of the 2020 work-programme
4. Update on status of the Initiative and specific challenges
This is our eleventh quarterly Ministerial, the first co–chaired by the EU, reflecting the continued ownership and commitment of both HoA countries and our Development Partners.

There has been notable progress, even though challenges and uncertainties should not be ignored. EU’s announcement of intent to continue financial support of the Initiative much appreciated.

Pleased to hear that all parties consider that the Initiative remains highly relevant, as it contributes to continued political and policy harmonization dialogue, promoting regional stability.

Meeting today reflects the desire of all stakeholders to continue building on success, crowd–in additional support, and address challenges.
There has been progress on process issues hindering the implementation of the Initiative.

About US$4.5 billion of financing approved or to be approved by end 2022, with additional programmes/projects expected to be announced by the EU soon.

The COVID-19 crisis is still limiting ability to hold face-to-face meetings, and affects implementation of the Initiative. We are closely monitoring the evolution of the new variant to minimize as much as possible its impact.

Political instability remains a concern. The Initiative, which promotes greater regional collaboration and policy harmonisation, provides an instrument for mitigating this risk.

Continued commitment by countries and their Ministers of Finance underscores the high relevance of the Initiative and of the benefits of economic integration.
Smooth transition achieved with Djibouti. Continued work with HoA countries continuing uninterrupted.

The core support team is already in place.

The support team will be completed in March under long-term (1–2 years) contracts to be signed once the fiduciary agency managing this aspect of support under the MDTF becomes operational.

National advisers funded by AfDB are in place and it is hoped their contract may be renewed for a year. Request for a Trade adviser has also been submitted.

Renovate office space and provided at the Treasury building.

Mr. Badu Sora Katelo has been appointed as Head of Secretariat and is present today.
Key Elements of the Work Programme 2022

- Detailed document has been circulated (further comments welcome).
- Re-establishing and effective Secretariat, as mentioned.
- Setting-up more effective collaboration:
  - Continuation of quarterly Ministerial Meetings – As before, next tentatively planned in April 2022 as side event to WB–IMF Spring Meetings.
  - Regular technical workshops with rolling schedule, focused in Digital Integration in the near-term.
  - Accelerate policy harmonisation.
- Looking ahead:
  - Crowd-in additional resources, including for project preparation and MDTF.
  - Undertaking a review of the programme underlying the Initiative by end-2022.
- Strengthen communication, including by regularly updating the HoAI website and increased use of social media.
Horn of Africa Priorities

- Funding: Financing gap of about US$11 billion based on original programme should be progressively reduced. Proposed target: Mobilise at least US$5 billion between 2022 and 2025.

- Strengthen Human Capital and Resilience pillars by moving ahead with formulation of investment operations, and continued targeting of borderlands.

- Accelerate and expand (e.g.; to energy and digital) policy dialogue and implementation of actions. Work on trade has already started at the HoA and national levels. Latter running behind schedule and initial timetable (action-plan and roadmap by mid-April 2022) likely to slip to end-May 2022.
Status of HoA priority projects

- Project preparation and approval (AfDB+WB) has accelerated. Details provided in document circulated separately.
- Looking forward to specific projects being identified by the EU.
- Analytical work and technical assistance also accelerating.
- Pleased to note that implementation has started for projects approved earlier, with no issue noted so far.
- Our challenge is to develop regional operations that are innovative, responsive to our needs with shared implementation arrangements: This may require moving away from traditional country focused designs and a change in conceptual paradigm.
Thank you

- Glad we were able to have a hybrid face-to-face and VC meeting for the second time is a row.
- Our thanks to the EU for co-chairing this meeting.
- Looking forward to additional fruitful exchanges at the Ministerial level in April 2022.