



**HORN OF AFRICA  
INITIATIVE**

# 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
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# The Initiative is being successfully sustained

- ▶ 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.
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# Status

- ▶ 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.

# Secretariat in Nairobi Operational

- ▶ 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 an 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 not 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.
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# Thank you

- ▶ Glad we were able to have a hybrid face-to-face and VC meeting for the second time in 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.
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