

13th Ministerial Meeting of the Horn of Africa Initiative

June 30, 2022: Nairobi, Kenya

Communique

We, the Finance Ministers of Djibouti, Ethiopia, Kenya, Somalia and South Sudan, held the 13th Ministerial Meeting today. H.E. Amb Ukur Yatani, Cabinet Secretary of National Treasury, Kenya chaired this virtual meeting.

We appreciate the continued support and commitment of our Development Partners (DPs) — the African Development Bank (AfDB), the European Union (EU), and the World Bank Group (WBG) — and thank them for their backing in advancing the Horn of Africa Initiative (HoAI). We express the hope that this engagement would further deepen to cover programs in the priority package that have not yet been funded beyond the US\$7.5 billion approved so far. We also take this opportunity to thank Mr. Hafez Ghanem, the outgoing Vice President of the World Bank, for his strong support since the Initiative was launched. We wish him well and look forward to working as closely with his successor.

We are happy to formally welcome South Sudan as a full member of the Initiative today and look forward to working closely with it on the regional integration agenda of the HoAI. We also request the HoAI Secretariat, working closely with the South Sudan Focal Point, to accelerate the onboarding process and thank AfDB for their willingness to finance a national adviser to provide support to officials working on the HoA Initiative. It will be timely for an updated priority package that considers the membership of South Sudan in the Initiative to be prepared for our next meeting in consultation with all concerned.

In our last meeting, we discussed how climate change is aggravating droughts and food insecurity. An anticipated 49 million people in the region will be vulnerable by September 2022, which necessitates urgent, additional national and regional responses. We reiterate our call for greater technical and financial assistance for emergency and medium-term programs aimed at boosting resilience, food security, trade and market ecosystems in the Horn. We request that at the next Ministerial meeting, Development Partners present an update on their response to this crisis, and brief us on the implementation experience with resilience projects approved so far, including achievements and constraints. As part of outreach to other stakeholders, we also request a technical briefing on engaging with the private sector, including a proposed task force to facilitate private sector engagement at the next Ministerial.

Accelerating project preparation, approval and implementation in countries that are lagging remains our highest priority. Further complementary efforts to reach other stakeholders are also needed. The Ministers thus called on additional DPs to be invited to the initiative to bring more political and financial support to the Initiative while preserving the country-led focus of HoAI. Ministers also felt that such invitation to new development partners may be predicated upon a consensus among the HOA Initiative members. At today's meeting we approved a partnership framework aimed at achieving this goal. This will be pursued through targeted invitations based on unanimous consensus for crowding in new financing of at least US\$100 million on a rolling basis, towards regional projects in line with the HOAI programme. We also call for mobilization

of additional resources for the Multi-Donor Trust Fund to enable it to optimize the funding of development, preparation, supervision, or co-financing of priority projects.

We are committed to a continued focus on “soft” policy harmonization to enhance the enabling environment for investment operations. Policy priorities related to energy sector were presented at the last meeting. Today, we learnt the state of play of policy harmonisation and preparation of an ambitious regional project in the digital sphere. We request a targeted discussion on policy harmonisation in these areas at the next Ministerial, which should lead to country policy actions needed to unlock the potential benefits.

We are delighted to note the substantial progress in the area of trade facilitation, reflected in the ministerial adoption of the roadmap in the presence of, or with the concurrence of, the Ministers responsible for Trade in their respective countries. Our approval will be formalized through the signature of a Joint Declaration for achieving the goals and activities detailed in the HoAI regional trade facilitation roadmap. To this end, we commit to facilitate the necessary policy reforms, roadmap with investment operations for specific activities including the identification of the technical assistance and capacity building actions needed for their implementation. As Finance Ministers, we will prioritize these activities in our financing plans. We call upon our Partners to provide concessional finance for the rollout of the trade facilitation roadmap in the Horn of Africa.

We thank H.E. Amb Ukur Yatani, Cabinet Secretary, for his collegial and effective leadership and the Head of the Secretariat for overseeing the activities of the Initiative on his behalf. We propose that the 14th HoAI Ministerial to review implementation progress of the HoA package, policy harmonization in trade, digital and energy, and progress in bringing in other donors, be convened in person in the margins of the World Bank-IMF meetings in October 2022 at Washington DC. We request the Secretariat to commence preparations of the substantive agenda for the meeting in collaboration with national focal points and the DPs. We will also consider the feasibility of convening a meeting of the Heads of States in 2023 to showcase the achievements of the Initiative, and to raise its profile at the highest level.