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UN Secretary-General, WBG and IsDBG Presidents, and other Agency Heads Visit Region to Link Peace Efforts with Economic Progress
Leaders of global and regional institutions today begin an historic trip to the Horn of Africa to pledge political support and major new financial assistance for countries in the region, totaling more than \$8 billion over the coming years. UN Secretary-General Ban Ki-moon, the World Bank Group (WBG) President, Jim Yong Kim, as well as the President of the Islamic Development Bank Group and high level representatives of the African Union Commission, the European Union, the African Development Bank, and Intergovernmental Agency for Development (IGAD) are combining forces to promote stability and development in the Horn of Africa.
On the first day of the joint trip, the World Bank Group announced a major new financial pledge of \$1.8 billion for cross-border activities in a Horn of Africa Initiative that will boost economic growth and opportunity, reduce poverty, and spur business activity.
The initiative covers the eight countries in the Horn of Africa - Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan, and Uganda.
"This new financing represents a major new opportunity for the people of the Horn of Africa to make sure they get access to clean water, nutritious food, health care, education, and jobs," said World Bank Group President Jim Yong Kim. "There is greater opportunity now for the Horn of Africa to break free from its cycles of drought, food insecurity, water insecurity, and conflict by building up regional security, generating a peace dividend, especially among young women and men, and spurring more cross-border cooperation."
Leading the trip to the Horn of Africa, the United Nations Secretary-General, Ban Ki-moon said "The countries of the Horn of Africa are making important yet unheralded progress in economic growth and political stability. Now is a crucial moment to support those efforts, end the cycles of conflict and poverty, and move from fragility to sustainability. The United Nations is joining with other global and regional leaders to ensure a coherent and coordinated approach towards peace, security and development in the Horn of Africa."
The European Union also announced that it would support the countries in the region with a total of around \$3.7 billion until 2020, of which about 10 percent would be for cross-border activities; the African Development Bank announced a pledge of \$1.8 billion over the next three years for countries of the Horn of Africa region; while the Islamic Development Bank committed to deploy up to \$1 billion in new financing in its four member countries in the Horn of Africa (Djibouti, Somalia, Sudan and Uganda).
The Horn is diverse, with some of the fastest growing economies and huge untapped natural resources. However, it also has many extraordinarily poor people and populations that are now doubling every 23 years. Unemployment is widespread among growing numbers of young people. Women, in particular, face huge obstacles because of their gender, including limited land rights, limited education, and social customs that often thwart their ability to pursue economic opportunity, and improve living conditions for their families and communities.
Countries in the region are also vulnerable to corruption, piracy, arms and drug trafficking. Terrorism, and related money flows are significant and interconnected threats in the Horn of Africa. People-trafficking is also a growing problem in the region. However, there are commendable efforts being made through regional cooperation in parts of the Horn to tackle the root causes of these problems.
The new financing announcement will support those efforts and comes on the first day of the trip led by UN Secretary-General Ban Ki-moon, to discuss peace, security, and resilience. In addition to the UN Secretary-General, other leaders making the trip are World Bank Group President Jim Yong Kim; Islamic Development Bank Group President Ahmad Mohamed Ali; African Union Commission Deputy Chairperson Erastus Mwencha; Intergovernmental Agency for Development (IGAD) Executive Secretary, Ambassador Mahboub Maalim; African Development Bank Group Special Advisor to the President, Youssouf Ouedraogo; Deputy Director General for Development and Cooperation, European Commission, Marcus Cornaro and European Union Special Representative for the Horn of Africa, Alexander Rondos.
The World Bank Group said its new \$1.8 billion packaging, which is in addition to its existing development programs for the eight countries, would create more economic opportunity throughout the region for some of the most vulnerable peoples, including refugees and internally displaced populations and their host communities. Wars and instability have generated more than 2.7 million refugees along with over 6 million internally displaced people. The Bank Group will also help the region build up its communicable disease surveillance, diagnosis, and treatment capacity.
Many of these diseases are associated with or exacerbated by poverty, displacement, malnutrition, illiteracy, and poor sanitation and housing. Increased cross-border trade and economic activity in the Horn of Africa will necessitate simultaneous investments in strengthening disease control efforts and outbreak preparedness.
The Bank Group will also support greater regional links between countries with regional transport routes, stronger ICT and broadband connectivity, more competitive private sector markets, increased cross-border trade, regional development of oil and gas through pipeline development, and the expansion of university and other tertiary education.
The Bank Groups pledge includes \$600 million from the IFC, its private sector arm, which will support economic development in the countries of the Horn. IFC investments under the new Horn Initiative will include a regional pipeline linking Uganda and Kenya; greater investment in agribusiness expansion in storage, processing, and seeds; possible public-private partnerships in pharmaceuticals, renewable energy and transport; and financial advice and support to government and companies to improve business confidence and investment, access to markets, and access to private finance. Another \$200 million is for guarantees against political risks from the Multilateral Investment Guarantee Agency.
A new World Bank Group paper forecasts that the Horn will undergo dramatic and lasting change when oil production starts in Kenya, Uganda, and possibly Somalia and Ethiopia.
For its part, the European Union's Horn of Africa approach is based on a strategic framework adopted in 2011. Support programs for 2014-2020 will be guided by the same analysis that underpins the World Bank's Horn of Africa Initiative and will focus on the development challenges that must be tackled to unlock the region's considerable potential. EU support will mostly target the three pillars of the Horn of Africa Initiative: boosting growth, reducing poverty by promoting resilience, and creating economic opportunities.
The EU stands ready to further deepen its long-standing partnership with the Horn of Africa - helping to build robust and accountable political structures, enhancing trade and economic cooperation, financing peace keeping activities and providing humanitarian assistance and development cooperation," said European Development Commissioner Andris Piebalgs prior to the trip.
Other leaders on the trip said that the Horn of Africa region needs new development assistance in order to secure peace and opportunity to thrive and prevent future conflicts.
The Islamic Development Bank Group said its new financing for Djibouti, Somalia, Sudan and Uganda over 2015-2017 would focus on critical infrastructure development, food security, human development, and trade. A further \$2 billion could be provided by the Arab Coordination Group over the same period.
Commenting on this announcement, Islamic Development Bank Group President Ahmad Mohamed Ali said "The Horn of Africa is an important gateway to Africa and a bridge to Western Asia. Bringing stability and sustainable development to the Horn of Africa will undoubtedly significantly contribute to stability across the entire African continent. The Islamic Development Bank Group salutes this renewed focus on the Horn of Africa and stands ready to work with all partners, including the Arab Coordination Group, to support regional cooperation and the economic revival of the Horn of Africa, especially in its four member countries."
Given the complexity of the environment prevailing in the region, we must convince ourselves that it is not the financial means that will win in the Horn of Africa region, but our commitment and determination to act under the leadership of the countries in a united and coordinated manner," said African Development Bank Group Representative, Youssouf Ouedraogo, Special Advisor to the President.
African Union Commission Deputy Chairperson, Erastus Mwencha, added, "Our efforts to create peace and stability must be reinforced by investments in the peoples and countries of the Horn."
A new WBG regional study on the Horn of Africa released today at the start of the trip found reasons for hope for the region: "Despite the challenges the Horn of Africa faces, there are encouraging signs of political momentum for enhanced regional economic interdependence. Increasingly, Horn of Africa countries are members of the East African Community, IGAD in Eastern Africa, and the Common Market for East and Southern Africa. Some countries are showing strong political will to solve both security and development issues through increased cooperation-for example, many have sent troops to participate in peace-keeping efforts and have participated in diplomatic initiatives."
This mission is the apex of an ambitious partnership approach that will provide the necessary instruments to strengthen the resilience agenda in the IGAD region," said IGAD Executive Secretary, Ambassador Mahboub Maalim.
For the UN's Ban and World Bank's Kim, this is their third trip in 18 months together to Africa. In 2013, the two travelled to the Great Lakes and Sahel regions, drawing attention to the need to promote both peace and development. During the two previous trips, Kim pledged \$2.7 billion for regional projects for programs to improve health, education, nutrition, access to energy, and job training. To see the results of these previous peace and development regional initiatives,

visit: <http://www.worldbank.org/en/region/afr/brief/world-bank-group-sahel-and-great-lakes-initiatives>
To see the new WBG regional paper on the Horn of Africa, please visit: <http://documents.worldbank.org/curated/en/2014/10/20316926/>
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