



Ali Issa (PhD)
Managing Director

MANAGING DIRECTOR'S STATEMENT

Slow recovery of the Horn of Africa from covid pandemic, conflicts and climate change impacts

The Horn of Africa (HoA) has experienced slow recovery from the challenges of Covid-19, climate change and conflicts impacts, as well as the global effects of the Ukraine war on food and energy prices in 2022. These severe challenges contributed to slower economic growth in most countries, and by more than 2 percentage points decline for the larger economies of the HoA (Ethiopia, Kenya and Uganda).

The prevalent dislocations of insecurity and instability in most of the HoA countries, and the sharp rise in global inflation aggravated already rising food prices and contributed to severe food insecurity and threat of famine in some parts. The surge in inflation thus impacted severely on the most vulnerable communities, and those existing on marginal agro-pastoral lands and the urban poor.

These multiple challenges, particularly the worrisome intensity and frequency of droughts that is increasing in the region, and the insecurity and social instability are the key drivers of the poor economic performance. According to the Famine Early Warning Systems Network (FEWSNET- Jan.2023) report, "the world's worst acute food insecurity emergency is occurring over the HoA". Also, with forecasts indicating a potential fifth consecutive failed rainy season in October-December 2022, the already severe humanitarian emergency in the region is expected to further deepen".

The prevailing climate related crisis is compounded by poor macroeconomic indicators and prospects, including public debt levels that have risen to unsustainable levels, which point to difficult policy choices. Consequently, the near-term outlook is extremely uncertain as the region's prospects are tied to current unstable developments in the global economy and with a number of countries facing difficult socio-economic and security situations.

Within this near-term challenging environment, the policymakers must implement immediate corrective and sound reform policies, to reduce vulnerabilities to future shocks, build human resilience, and address the combination of low growth, high inflation, prevalent food insecurity, and severe debt distress. Moreover, the region's future prosperity will depend on high-quality inclusive growth and the implementation of policies to set the stage for sustainable and broad based recovery.

The need to formulate and implement sound policies requires objective assessments and consistent commitment to reforms. It is vital to create and reinforce functional public institutions, design development conducive incentives, and deliver effective economic and social services to the public. It is also essential to enhance regional integration to support economic diversification and promote trade and investment to meet the multiple common challenges facing the HoA region.

“Helping to Build
Sustainable
Prosperity”

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Building Resilient Communities and Sustainable Institutions in the Somali Region while Unpacking Ethiopia's Social Contract

HESPI was represented by Dr. Ali Issa at the 2nd Somali Regional Studies Conference held on Dec. 12-13, 2022 in Jigjiga, Ethiopia. The conference was co-organized by Hankaal Institute & Jigjiga University on "Building Resilient Communities and Sustainable Institutions in the Somali Region while unpacking Ethiopia's Social contract". The HESPI presentation covered the following core issues, which are essential for inclusive economic growth and sustainable development: (i) building peace, security, and establishing rule of law and justice; (ii) committed leadership and building effective state institutional capacities; (iii) building human skills and capabilities for socio-economic development and transformation; (iv) augmenting financial resources and ensuring sound public management of resources; and (v) addressing prevalent lack of financial integrity and endemic corruption.

The presentation underscored the vital importance of stability, and pointed out that lack of peace and security had dramatic adverse impact on socio-economic development and will be a continuing constraint on pursuit of sustainable development and poverty reduction, unless clearly resolved. The nexus between peace and pursuit of sustainable development, including social reconciliation requires adherence to the rule of law as a precondition.

Another vital requirement for attaining inclusive and sustainable development is the existence of visionary leadership and effective institutions. While many factors impact on the socio-economic development of nations, it is evident that effective leadership guidance is required for sustained development.

The success of nations also depends on developing human skills so as to be competitive in global markets. Thus Somalis will need to invest in basic social services to develop competitive workforce and build the desired skills. For participation in the ongoing fourth revolution of mankind, communities and governments should spearhead the facilitation of knowledge-based education and the promotion of the digital skills.

Dr. Ali emphasized that sustainable development requires substantial financial resources, and proper management of public finance resources is of considerable importance. Consequently, the state should ensure good governance, transparency, and accountability in public finance governance which is a critical element in attaining successful development efforts. Lack of accountability in the use of public resources and the delivery of public services can open the door for misuse and corruption, and could weaken the efficiency and effectiveness of public institutions.

In his concluding remarks, he listed the following policy areas and reforms to be pursued for sustainable development: (i) strengthening and maintaining effective macroeconomic policies; (ii) promotion and effective support for private sector activities; (iii) targeted promotion and facilitation of agriculture and manufacturing; (iv) accelerating access to digital revolution and innovation; (v) developing the unexploited natural resources; and (vi) above all, strengthening integrity at all levels of leadership, and eliminating corruption and enhancing Public Finance Management and governance.



Dr. Ali at the conference



Hankaal Director at the conference Opening

HESPI participated at the 5th Policy Forum of the National Economic Council of Somalia



Mr. Edris Hussein at the Policy Forum

The Managing Director of HESPI Dr. Ali Issa and Mr. Edris Hussein, Senior Research Associate attended the three day policy forum and participated in several panels on the formulation of appropriate macroeconomic policies in the country and improving financial and economic governance. Mr. Edris also presented the Institute's study on 'Food Security, Environmental Sustainability and Building Human Resilience in Somalia'. In his presentation, Mr Edris discussed the importance of the agriculture sector to the Somalia economy, and emphasized the need for the policy makers to enhance agricultural productivity, and put the clear support system for small holder farmers and other businesses participating in the agriculture value chain.

HESPI Grant to support the role of Civil Society Organizations in PFM and FTA in some IGAD Countries



HESPI with Swedish International Development team

The Horn Economic and Social Policy Institute (HESPI) signed an agreement with The Swedish International Development Cooperation Agency, Regional Development Cooperation in Africa on Enhancing the Role of Civil Society in Public Financial Management in selected IGAD member countries. HESPI strongly believes that sound, transparent and accountable PFM is a key pillar of governance reforms and is vital to provide public services of good quality to citizens. Public Financial Management (PFM)

processes entail budget formulation and execution, accounting and reporting, and external scrutiny

The efforts of designing effective policy interventions to improve and reform the PFM and FTA of the targeted countries, will focus on building the capacities and skill levels of CSOs to advocate, monitor and evaluate national financial performance. Accordingly, the first phase of the project will entail building the knowledge base and internal capacities of the CSOs and their ability to have effective impact on the public sector delivery of social services.

The Institute considers ensuring effective PFM and FTA as essential to contributing to economic stability and promoting inclusive growth and poverty reduction, through avoiding misuse and leakage of scarce financial resources. At this time of prevalent conflicts and insecurity, and adverse climate change threatening the livelihoods of large segments of the population in the target countries, managing well their scarce financial resources is imperative.

HESPI Board of Directors Meeting



HESPI Board of Directors Virtual Meeting

The second BOD's meeting of the year was held virtually on 10th December 2022. The Management report covered the work program for the year and ongoing Policy Research Studies, Institutional Capacity Building activities, Knowledge Management,

Networking Partnership, and Resource Mobilization. The planned work program for the year 2023 was presented by the Managing Director on core areas such as, the ACBF-SALCA program on the climate change adaptation; policy research on climate change and food security in collaboration with ACBF; the SIDA program on financial integrity, and advocacy at the Civil Society side; Budget utilization for the year 2022, and the budget plan for the year 2023. The Board Directors provided guidance for HESPI Management on approaches of developing new proposals for resource mobilization; and finalization of signing MoUs for new partnerships.

Strengthening African Leadership for Climate Adaptation (SALCA) Program



HESPI Staff with SALCA Team

The Horn Economic and Social Policy Institute (HESPI) has been selected by the African Capacity Building Foundation (ACBF) as a beneficiary of the Strengthening Leadership for Climate Adaption (SALCA) program; which intends to build the capacity of the beneficiary institutions. HESPI is determined to materially contribute to enabling the climate adaption impact, which is essential for sustainable growth and development in Africa.

Specifically, the Institute will contribute to (i) the implementation of evidence-based climate adaptation research and advocacy in the IGAD region and Africa at large (ii) shaping Africa's response to climate change; (iii) Strengthen and sustain African leadership in global forums on climate change; and (iv) Demonstrate and measure progress in the implementation of Africa's climate adaptation agenda. In that regard, in the coming 4 years, HESPI re-orient itself to gain more robust adaptation research capacity; diversify adaptation resources base of research in the IGAD region; become most nimble and able to respond to the needs and demands of its stakeholders; and practice more collaborative, creative and flexible research initiation and leadership

The first Open Budget Survey (OBS) for Ethiopia

The OBS is an independent assessment of national budget transparency, oversight and public participation in 120 plus countries around the world. It's conducted by the international budget partnership (IBP) every two years with legal research institutions. Ethiopia was covered for the first time in the OBS 2021 by HESPI jointly with IBP and relevant national agencies. The survey findings were released in May 2022 and put Ethiopia on a poor global standing with regards to Public Participation and Transparency, but showed encouraging performance with regards to Budget Oversight.



On public participation, Ethiopia scored 7 out of 100, which is worse than the Sub Saharan African (SSA) average of 11 and the global average of 14. On Budget Transparency, the country scored 8 out of 100, which is much lower than SSA's 33 and the global average of 45. On the measure of Budget Oversight however, Ethiopia scored 57, which is higher than the global average of 52. This score also puts Ethiopia among the four countries in the SSA that scored the adequate level of 56-59 points.

See More <https://internationalbudget.org/open-budget-survey/open-budget-survey-2021>

New Senior Research Associates of HESPI

At its regional headquarters, the Horn Economic and Social Policy Institute maintains a core technical staff, led by the Managing Director to ensure that its work and policy advisory services have the highest level of professionalism. In addition to its regular staff, HESPI has 25 plus associates and senior associates who are actively involved in its program plans and execution. These associates are supplemented by consultants on short-term assignments as required. In the year 2022, the Institute welcomed two new senior research associates to further strengthen its research programs.

Samuel Tefera Alemu (PhD) is a researcher and Assistant Professor, Center for African and Asian Studies, College of Social Sciences, Addis Ababa University. Dr. Samuel holds PhD in African Studies from the University of Kyoto. He taught courses including qualitative research methods; graduate seminars on gender and culture; political pluralism and African unity; culture and development; political change and dynamics in the Middle East; and cultural grounds of economic/political development in Africa. He provided tailored trainings and courses on maritime security and water geo politics. Dr. Samuel has the required knowledge and skills to handle maritime security issues (studies, dialogues and designing strategies) especially in the context of the Horn of Africa and the Gulf of Aden. He also provided training in other diverse areas of natural resources management which included pastoral economics and development program; pastoral policy analysis, livelihoods, and institutions; and disaster risk management and climate change adaptation.

Mr. Juvenal J. M. Shiundu holds a Master of Science in Maritime Safety Administration (Marine Engineering) from World Maritime University, Malmo, Sweden. He did Bachelor of Science in Naval Architecture and Shipbuilding from the University of Newcastle upon Tyne, UK. His work experience is largely in the areas of maritime safety and administration in the Horn of Africa Countries. He worked at the International Maritime Organization (IMO) as a director of technical cooperation division, senior deputy director level and at other positions for over 20 years. Mr. Shiundu consulted, organized and negotiated Memoranda of Understanding (MOUs) with three host governments, including Kenya that led to the opening of the first three Regional Maritime Safety Administration Offices in Africa covering 49 countries. Mr. Shiundu is an excellent communicator and negotiator with strong inter- personal skills with attained quality results within strict deadlines and budgets. He has high-level international and diplomatic experience in managing and implementing development cooperation programs in the commercial and public sectors especially in developing countries.

Food Security, Environmental Sustainability, and Resilience Building in

Somalia: by Dr. Fredu Nega and Mr. Edris Hussein

Somalia has been facing a wide range of interconnected and mutually reinforcing negative conditions for many years. The environmental challenge in the country is compounded by limited institutional capacity, conflict, scarce financial resources to cope with emerging challenges, and a high degree of vulnerability to systemic shocks. Climate Change has emerged as one of the most important environmental and development challenges in the country, and it is already impacting on agriculture and food security, and will make the challenge of ending hunger and malnutrition even more difficult.

Understanding food security vulnerability to climate change is not only key to understanding net climate impacts on food security, but also to framing ways to adapt when climate risks occur, i.e., to reduce the net climate change impact by reducing vulnerability. Food insecurity is thus one of the major challenges in Somalia and it is becoming structural through time as most of the poor are concentrated in the Arid and Semi-Arid ecosystems where the population growth, has led to cultivation increasingly at marginal land more intensively. This coupled with low level of diversification into non-farm economic activities leads to unsustainable exploitation of the fragile ecosystem which exacerbates environmental degradation and low agricultural productivity. This calls for establishment of Integrated Climate-Response System (ICRS) to build resilience as opposed to different standalone programs.

The ICRS for resilience building will overhaul resilience building interventions and programs and thus helps boost overall risk-management capacity by reducing fragmentation of programs and institutions. It should also be able to deliver a range of programs in accordance with country needs and link with early warning and emergency systems. It aims additionally to foster participatory planning and social accountability throughout the system. [for more www.hespi.org](http://www.hespi.org)

Climate Change Adaptation and Building Human Resilience in Somalia.

by: Dr. Mintewab Bezabih and Mr. Abdurrohman Ali

Somalia, like most of Eastern Africa, is experiencing severe climate-induced disasters. This strongly impacts the country as it is reliant on climate-sensitive sectors such as livestock and crop production. The vulnerability of different sectors such as and ecosystems is constantly demanding increased, innovative, and transformational interventions. In light of this, the study focuses on the challenges in climate adaptation, the required actions for resilience building, and the efforts at climate financing. The study has explored the current state of local, national and international institutions in terms of their engagement on climate adaptation and resilience building, and also attempts to propose practical, short term and long term directions to fill the policy gaps.

The principal objective of the study has been to conduct comprehensive research on the impact of climate change in Somalia and identify the pragmatic routes towards adaptation and human resilience building. In moving towards a climate adaptive and resilient economy, the following pivotal actions are recommended

- While differing in degree, the need for climate change adaptation in Somalia appears all urgent. Critical lessons are drawn from adaptation in the agro-pastoralist/livestock sector, coastal areas-related climate change vagaries, adaptation in the forest sector from the perspective of illegal charcoal production. It also identifies effective adaptation options and the challenges adaptation in the different sectors ranging from institutional, political to policy.
- There are semi-autonomous resilience building actions that are suitable for Somalia, and these resilience building actions need to be sustained, expanded and scaled up, and national institutional endeavors is required. In light of this, a resilience building plan for Somalia would need to include a strategy that simultaneously tackles environmental and development challenges.
- Somalia has signed or ratified a number of international agreements and conventions aimed at preventing environmental degradation and promoting sustainable use of natural resources. Despite this however, the country needs to keep up with the ever dynamic progress in international negotiations and treaties [for more www.hespi.org](http://www.hespi.org)

Impact of Chinese Investments and Financing on Economic Growth in the HoA: by Dr. Ali Issa

The eight member countries of IGAD located in the Greater Horn of Africa (HoA) region possess considerable advantages including its strategic location, the large size of landmass with ecological diversity and extended coastal lines, and youthful large population with diverse and rich cultural heritage, and vast agricultural and mineral resources. The region has about 7,000 Km of coastline and a population of about 275 million in as of 2018. These represent tremendous opportunities for business investment ranging from agriculture & agro-processing; manufacturing, tourism, transportation and logistics; extraction of natural resources; and energy generation, and transmission and distribution.

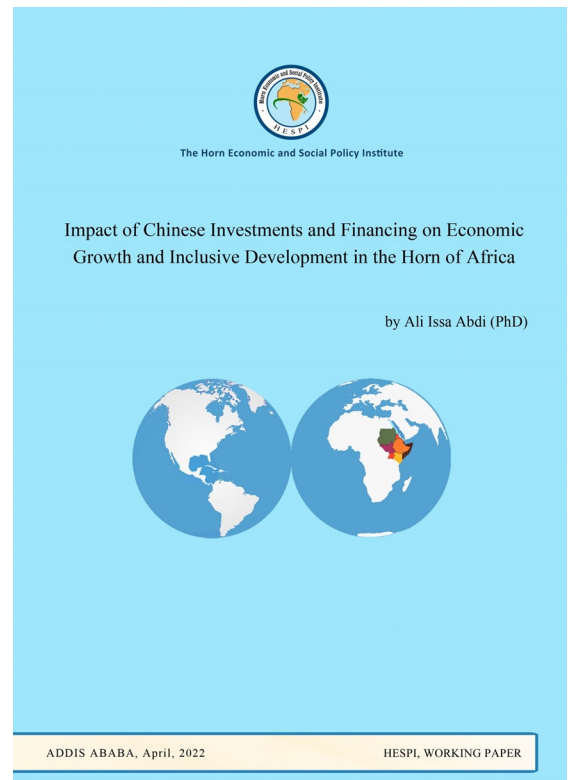
Over the past two decades or so, China has emerged as a credible option as source of finance and economic infrastructure and other vital investments. The allocation of \$60 billion funding for Africa under the Forum of China Africa Cooperation enhances China's credibility as source of development finance. However, Chinese engagement in the continent has also attracted criticisms of sorts, ranging from outright labelling of China as merely seeking resources and cherry picking the benefits of exploiting market opportunities; blaming it for getting countries into high indebtedness. In this context, this assessment of the role of Chinese investment and finance in the HoA countries explicitly taking into account the development strategies and priorities of two diverse sets of recipient countries; those with high economic growth rates and broad good performance and the fragile states of the sub region

Undoubtedly, Chinese investments and external financing in the well performing countries of the HoA have been indispensable part of their economies high and sustained economic growth achieved in recent years. Such investments have contributed to providing the development of world class infrastructure, injected much needed capital, and introduced new technologies. The productivity gains and spill over positive effects of these investments have permitted these good performing countries to leverage the contributions made by the Chinese direct foreign investment and external public financing. The broad commentary of the policy makers in the region and few studies reviewed demonstrated that the good performing countries in the HoA substantially benefited from the Chinese investments and financing.

There are concerns expressed by academics and policy makers on the modalities of Chinese investment and finance flows into the region which are worth noting. Such concerns include that China is only interested in African countries with abundant natural resources, and that the fragile HoA economies do not benefit from such finance and investment access. Policy makers and academics have also argued that the considerable home grown technological progress in China in the last 3-4 decades has not led to the envisaged technology transfer of Chinese investments, which ought to be strengthened. The missing link is to accelerate such technology transfer to HoA countries.

Also, some HoA countries have accumulated high levels of public debts attributable partially to Chinese loans, raising the question of how such loans may ultimately be repaid, at what cost, and what sacrifice the regional borrowing governments may have to make to repay these loans. Some observers consider the accumulation of such large debts as unwise and unsustainable on the part of the HoA countries and African governments at large.

The China and Horn of Africa economic relationship is assessed as making positive contributions to the economic transformation of the region. Such linkages are envisaged to endure, provided that the objective concerns expressed by the policy makers and academics are addressed forthwith to enhance the efficacy and effectiveness of the investments and financing flows to the HoA. [for more www.hespi.org](http://www.hespi.org)



Climate Change, Resilience Building, and Global Governance in the Horn of Africa: by Dr. Ali Issa

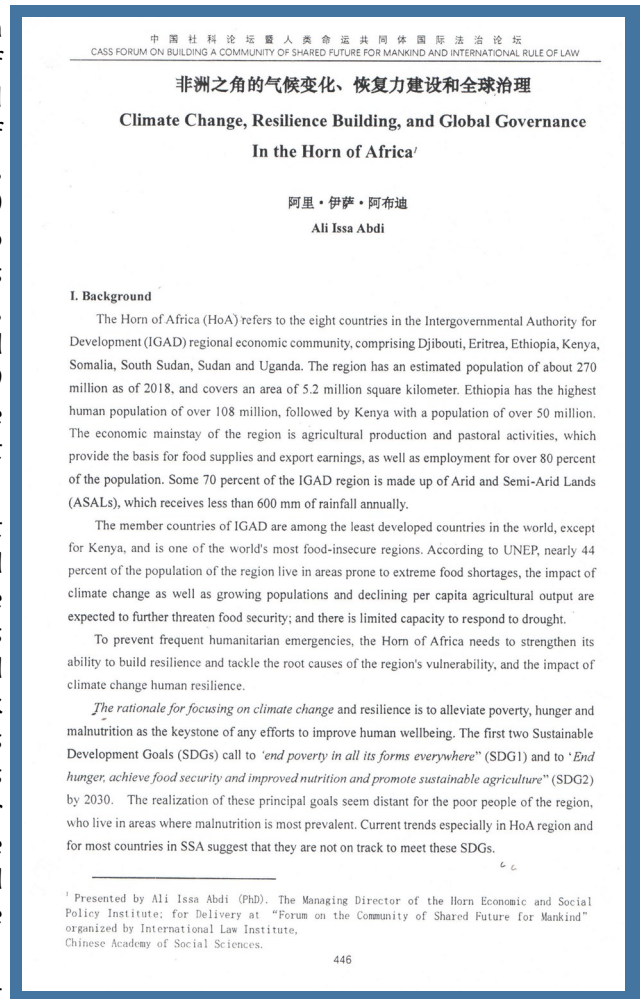
The study addresses the linkages of climate change, human resilience and global governance in the case of the Horn of Africa (HoA), which comprise the Inter-Governmental Authority for Development (IGAD) 8 member countries of Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda. Almost half of the estimated 270 million population of the region lives in areas prone to extreme impacts of climate change that endangers livelihoods. The urgency of focusing on climate change, resilience building and global governance is demonstrated by the UN Climate Change Summit of September 2019 Summit, which concluded that Climate change is the defining issue of our time and now is the defining moment to do something about it.

The global 2030 Agenda for Sustainable Development makes an explicit link between climate action and sustainable development, which lays emphasis on the impact of climate change on human resilience. It is because of this causality that global governance should focus on climate change and human resilience to look for innovative approaches to address the worsening crises more sustainably. The urgency of the need to address climate change in the most affected HoA and other countries is explained by the experience of more severe droughts and the prevalent food insecurity and malnutrition, and frequent occurrence of famine in some fragile countries of the region.

The IGAD economic community has focused on “drought and desertification” from its formation in the mid 1980’s and has shown enduring concern on the issue. Climate change adaptation and resilience building are high on the agenda among different stakeholders in the region, including government policy makers, researchers and academic institutions. Unless climate change is better managed the region’s ability to reduce poverty, and improve rural livelihoods will be even more untenable.

An IGAD Drought Disaster Resilience and Sustainability Initiative aimed at ending drought emergencies was taken at regional Summit in 2011, following the severe drought that devastated several member countries. The Summit took the decision to address the effects of recurring droughts on the vulnerable communities, calling for increased commitment by affected countries and their partners to support investments in sustainable development, especially in the Arid and Semi-Arid Lands (ASAL). The regional authorities thus established mechanisms to address cross-border drought issues, strengthen early warning systems, build capacity of institutions and key actors in drought management and enhanced resilience.

In some regions of the world, including the HoA countries and the small Island states, the global climate crisis could lead to existential threat in the near term. In the HoA region, the rising temperatures attributed to Co2 emissions and other Greenhouse Gases (GHG) is leading to frequent and extreme droughts, floods and extreme heat that has contributed to prevalent food insecurity that is occurring with considerable frequency. What is particularly relevant is that these worst affected regions contribute little, if any, to the GHGs contributing to the global warming and its critical impact. The international partners have talked up grand Initiatives to address climate change and build human resilience, but the publicized and promoted Initiatives have yielded limited or no sustained results. The adverse climate change on the HoA sub region is a classic example of the lack of fairness or equity in global affairs where power prevails, over justice delivery for sound decision making. [for more www.hespi.org](http://www.hespi.org)



Opening of HESPI Kenya Office in April 2023



As a regional organization, HESPI aspires to open country offices to broaden its regional presence. The Institute has operations in all the eight member countries of IGAD and thus far has concluded Host Country Agreements with Djibouti, Ethiopia, Kenya, and Somalia. In this context, HESPI plans to open a country office in Nairobi, Kenya to facilitate country level partnerships and enhance resources mobilization from emerging donors. Opening of the country office will facilitate collaboration and cooperation with the Kenyan Government institutions, and bilateral, regional and international organizations located in Nairobi, Kenya.

Amb. Vungo and Dr. Ali on the occasion of the Kenyan Host Country Agreement Completion

Seminar on the SALCA project



As a preparatory event for the implementation of the SALCA project, the ACBF has organized Partners Learning Workshop to be held on 21 - 24 March 2023 at the ACBF West and Central Africa Regional Office in Accra, Ghana. This partners learning workshop for strengthening African leadership for climate adaptation is aimed to equip Partner institutions under the SALCA program with shared knowledge, skills, and experience on climate adaptation.

More specifically, the learning objectives of the workshop will be to: (i) Create a peer-to-peer learning platform to share lessons and best practices; (ii) Build capacity of organizations on cross-cutting institutional capacity gaps identified during the needs assessments and the program scoping exercise; (iii) create a platform for engagement and learning between the 4 SALCA beneficiary institutions throughout the program implementation period; and (iv) generate lessons and best practices that will be distilled to develop tailored knowledge products for the SALCA program. The workshop will ultimately result in enhanced knowledge of SALCA institutions on key functional areas for organizational development and enhanced linkages and networks amongst the partnering Institutions and their representative boards.

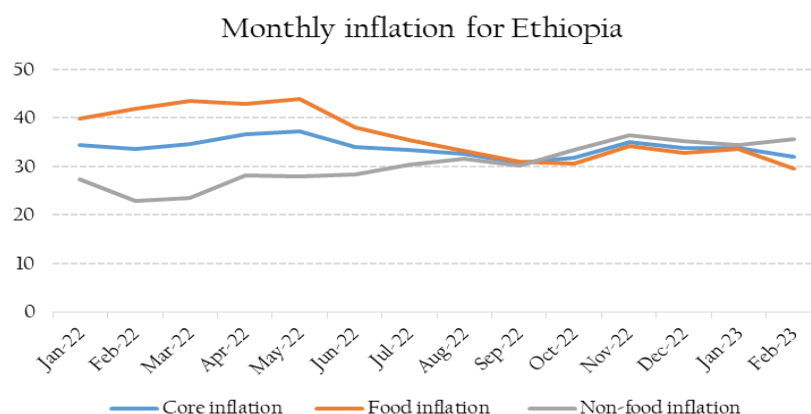
CSO's studies and capacity building seminar

The core activities of the project enhancing the role of CSOs in the IGAD region on Public Finance Management (PFM) and Financial Transparency Accountability (FTA) cover conducting analytical studies, capacity building, and organizing a validation seminar following the studies in the target countries. Thus, in May 2023, a validation and knowledge dissemination forum will be conducted. At this validation and knowledge dissemination seminar, presentations of findings of the studies will be made. This regional forum will lead to reform policies uptake within the target countries and build awareness on critical issues for sound PFM and FTA to be raised among the concerned CSOs and public policy makers. At the seminar, financial governance challenges and prospects in the region are to be better recognized by all concerned stakeholders (policy makers, CSOs, private sectors, and media); and reform actions introduced.

Inflation seems to ease in Ethiopia

The latest report from the Ethiopian Central Statistics Service (CSS) indicates inflation for the month of Feb 2023 has relatively eased compared to the same period last year. Core inflation was registered to be around 32.0% in February 2023 falling from 33.9% in January. Overall, the core inflation declined in February due mainly to the food inflation. However, the prices for selected agricultural products remain high. Cereals, pulses, meat and milk, cheese and eggs saw higher inflation in the month of February. This seems to be driven by the drought in some parts of the country. Non-food items like clothing, housing repair and maintenance, fuel and electronic goods also experienced increased prices. The removal of fuel subsidy by the government in the last six months explains the fuel price inflation recorded in recent months.

Source: [The Ethiopian Central Statistics Services](#)



Economic recovery from the COVID-19 pandemic varies across the IGAD region

Countries in the IGAD sub-region have recovered from the COVID-19 pandemic despite multitude of factors affecting the recovery like drought and locust invasion in much of Ethiopia, Eritrea, Kenya, and Somalia. On top of this, conflict, especially in the Northern Ethiopia substantially hampered the recovery process in the region. Yet, countries have registered growth in 2021 and 2022 with the exception of South Sudan which experienced GDP contraction in 2020/21 by 6.0% owing to floods, locust invasion, and the pandemic. Kenya, Ethiopia and Uganda had relatively strong recovery and growth in the last two years. Kenya's and Uganda's GDP growth was registered to be above 6% mainly driven by the lifting of the COVID-19 restrictions, and the recovery in private consumption. Ethiopia, which had remarkable GDP growth over the last fifteen years or so, registered a 5.6% growth in 2021. This is recorded to be the lowest in the last fifteen years. Somalia, Eritrea and Djibouti had a relatively weak growth during this period.

Source: [The African Development Bank](#)

Sudan and South Sudan finalize new cooperative agreement

In February 2023, Sudan and South Sudan signed a new arrangements dealing with the oil cooperation between the two countries related to transporting, processing and exporting the South Sudanese crude, the crude obtained by Sudan to supply the Umm Dabaker Electric Station and the Khartoum Refinery, in addition to settling financial issues. The deals were signed by Sudanese acting Energy and Oil Minister Mohamed Abdallah Mahmoud, and South Sudanese Undersecretary of the Ministry Of Petroleum Mayen Wol Jong. At the signing ceremony it was noted by the parties that the agreement aims to achieve the interests of the two countries by enhancing the cooperation spirit for further development.

Source: [Sudan Tribune](#)

Polls Close in Djibouti's Parliamentary Elections

In February 2023, Djibouti conducted a peaceful election for 65 member National Assembly despite boycott by opposition political parties. Only two parties contested seats in the 65-member National Assembly, where veteran President Ismael Omar Guelleh's ruling Union for Presidential Majority (UMP) is assured of victory. In the last legislative ballot in 2018, the UMP - which emerged from a party that ruled Djibouti since independence from France in 1977 - won 58 seats.

Source: [African news](#)

Somali National Bureau of Statistics (SNBS) Launches the Somalia Integrated Household Budget Survey (SIHBS)

The Somali National Bureau of Statistics has launched the key report of the first Somalia Integrated Household Budget Survey (SIHBS 2022) since 1985. The survey is part of the Somali Integrated Statistics and Economic Capacity Building (SISEPCB) Project supported by the World Bank Group. SISEPCB was initiated to strengthen Somalia's National Statistical System to enable policy makers to regularly assess, analyze and improve public policies. The survey has a total of 7,212 households who were selected from 17 regions covered in the survey. The survey constitutes detailed information among others on household expenditure on goods and services, access to basic assets, facilities and services. SIHBS will be used to improve the GDP estimates and for the compilation of the commodity basket and commodity weightings used in the construction of a new consumer price index (CPI), which will be used for subsequent inflation measurement. The survey will also be used to study consumer behavior among socioeconomic groups, studies of poverty and income distribution and calculation of national poverty line.

See More: <https://api.nbs.gov.so/wwwroot/Publications/188d169e4c294911a1e0c58ab00fd390.pdf>

Multiple Shocks Compounded South Sudan's Humanitarian and Macroeconomic Malaise

Severe multi-year floods, inter-communal violence in parts of the country and the Russia-Ukraine war exacerbated the dire humanitarian and macroeconomic situation in South Sudan. About two-third of South Sudan's population is experiencing severe food insecurity, the highest level since independence (IMF, 2023). Oil production has been under a downward path after reaching 170 thousand barrels per day in 2019/20. Despite temporary peace dividend, agricultural production has also been stagnant and experienced a recent decline partly due to the devastating floods that has submerged large swaths of the country for a fourth consecutive year. GDP dropped by about 2.9 percent in 2021/22. Fiscal pressure proved higher than anticipated. Although the gains in revenue from higher oil prices more than offset the decline in oil production, and non-oil revenue outperformed expectation, expenditure outturns also surpassed expectation by a similar magnitude mainly following peace-related increase in operational expenses.

See More: <https://www.imf.org/en/Publications/CR/Issues/2023/03/09/Republic-of-South-Sudan-Third-Review-Under-the-Staff-Monitored-Program-Request-for-530783>

Uganda's Multidimensional Poverty Report reveals striking disparities across regions.

The Multidimensional Poverty Index Report 2022 – Uganda is based on the 2016/17 and 2019/20 Uganda National Household Surveys. It is calculated using 12 indicators grouped under four dimensions: education; health; living standards; employment and financial inclusion. At the national level, MPI was estimated at 42.1%. The regional disparity in MPI is striking. MPI for rural areas is 50.2%, which is more than double that of urban MPI at 19.7%. Likewise, the Northern region has the highest MPI of 63%, while the central region has the lowest MPI at 20.5%. Comparison across sub regions also reveals marked disparity in MPI. Kampala has the lowest MPI at 0.4% , while Kigezi has the highest MPI at 48.4%.

See More: https://www.ubos.org/wp-content/uploads/publications/08_2022Multi_Poverty_Dimensional_Index_Report_2022.pdf



Horn Economic and Social Policy Institute

About HESPI

HESPI is an independent, non-profit regional think tank and research Institute that focuses on the member countries of the Horn of Africa in particular, and developing countries at large. HESPI provides high quality economic and social research and policy analysis on issues of current interest and importance to the region. In addition, the Institute undertakes commissioned studies for the public and private sectors in areas of regional or country specific relevance, and provides institutional capacity building. HESPI's mission is to assist with the formulation and implementation of sound economic and social policies, to promote high-quality research and policy analysis, and to provide advisory services to facilitate broad-based economic growth and poverty reduction.

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