

ES Talking Points - IGAD FY 2023 Budget Meeting

1. It is my pleasure to address you all at the conclusion of the **IGAD Budget Preparation Process** for the Financial Year 2023
2. Over the past 2 days, our Esteemed Committee of Ambassadors and Experts from our member states have undertaken two critical tasks in support of our secretariat;
 - i. **Reviewed the performance of IGAD Projects and Programs** over the past year 2022
 - This included key achievements realized against the budgetary allocations that were approved last year.
 - ii. **Contributed to formulating the IGAD Secretariat Budget** proposals for the coming year 2023.
 - This included setting out the key priorities for the coming year in line with the prevailing circumstances in the regions as well as the IGAD Strategic Plan 2021 - 2025
3. In 2022, **IGAD made significant progress in delivering tangible benefits for our region and member states especially in the area of peace and security.**
4. The progress recorded on the peace agreement in the Federal Democratic Republic of Ethiopia and the national reconciliation agreement in the Republic of Sudan are significant developments for the region.
5. However, **the real work of implementation now lies ahead of us** and **this budget is a crucial element as we mobilize the political, diplomatic and material resources** that will be urgently needed.

6. In addition, **the peace process in the Republic of South Sudan requires our full support** for its successful implementation over the coming 48-month transitional extension period until February 2025.
7. The **continuing violence in the Upper Nile region remains a matter of deep concern** and IGAD calls upon the warring parties to cease hostilities and arrive at a peacefully negotiated conclusion.
8. Furthermore, **we take note of the threat to peace, prosperity and development posed by violent extremist groups** whose operations have been expanding over the last year. **IGAD condemns all acts of terrorism and urges the youth of our region to resist being lured into these groups.** Furthermore, we call upon Member States and partners to join in solidarity to overcome this threat.
9. Despite the **additional major challenges of the prolonged drought, covid-19 and the economic fragility** currently experienced in our region, IGAD has remained committed to deliver resilience-building interventions for the citizens of the region as part of the implementation of the IGAD strategy.
10. Moreover, **to enhance corporate capacity to deliver its mandate, the Secretariat has continued to implement the several crucial reform initiatives** such the digitalization agenda to improve institutional efficiency and minimize the operational costs.
11. The Secretariat has **successfully delivered on 90.3% of the organizational reforms that we committed to** complete over this reporting period and we are now appealing for the support of our Member States to conclude the remaining 9.7% of reform tasks.

12. In particular, **budgetary support is essential** for the final implementation of the approved HR structure, application of the revised IGAD treaty, launch of the council of eminent personalities, establishment of the regional awards program, domestication and roll-out of the protocols on free movement and transhumance as well as execution of the regional food security and disaster risk management strategies.
13. IGAD also **intends to allocate more resources towards deepening engagement with Member States** by strengthening the mission offices in each of the respective capitals.
14. From these programmatic commitments, **you can share my deep concern that the secretariat has been under immense pressure, particularly from our Member States to do more with less;**
15. While we were able to raise 97% of the fiscal commitment made by our partners, it is **troubling to note that our member states met only 42% of their own approved budget**, with 5 out the 7 Member states actively contributing.
16. As budget summary clearly demonstrated, **for every 1 dollar that you commit to the Secretariat as member states, we were able to leverage 10 dollars from our partners**. However, this trend cannot be sustained in perpetuity without your enhanced support.

17. At the end of this Financial Year, **the secretariat has been running at a deficit of 30.3 million US dollars**. Of this total amount, 24.5 million is in unpaid arrears and 5.8 million is assessed contributions for the year 2022 from our Member States.
18. We carry this debt burden forward and to it further load **the proposed institutional budget for 2023 which stands at 86.9 million USD**. This additional budget for next year is nevertheless a 26% reduction from 2022, in spite of the challenges I highlighted encumbering our region.
19. **This reduction is in acknowledgement that the global resource envelope available to development has shrunk significantly** due to the combined recession effect of the Covid-19 pandemic and the conflict in Ukraine.
20. However, **in the spirit of self-reliance and the notion of "African Solutions to African Problems"**, the share of expected Member State contribution has risen to 19.3 million dollars or 22.2% of the total budget.
21. In this regard, IGAD **deeply appreciates the recent resolution of the 48th Ordinary Council of Ministers** on the commitment to regularize individual contributions in order to **close the fiscal gap and meet their enhanced fiscal responsibilities.**
22. IGAD **remains grateful for the contributions received so far from the Member States in 2022**, which have made it possible for the Secretariat to partially meet its obligations as reported to you during the Experts meeting yesterday.

23. IGAD also **appreciates, with gratitude the approval of the marginal increase by 10% of the IGAD Budget 2022.** This is a reaffirmation of the continued commitment of Member States and support to the Secretariat.
24. However, **this increment still falls short of the desired 15% we proposed at the budget meeting last year in line with the challenges facing our region.** I remain confident that this position will be re-considered and, in this regard, I wish to **thank the Member States for the signal they have issued to clear the outstanding arrears through flexible and negotiated arrangements** that will be formulated on a country-by-country basis with IGAD.
25. The **clearance of arrears will be particularly useful in funding our objective of regional economic integration** by initiating Member-State funded cross-border projects to complement the efforts of our international partners.
26. IGAD **welcomes the opportunity that the approval of the 2023 budget offers to advance the strategic objectives and enhance self-reliance** of our organization in order to realize the shared vision for a peaceful, prosperous and economically integrated region.

Thank You Very Much.