



**HORN OF AFRICA
INITIATIVE**
Ministerial Roundtable

MARCH 31, 2021

ADVANCING PRIORITY
REGIONAL PROJECTS TO
STRENGTHEN CRISIS RECOVERY

Joint Presentation *by* AfDB, EU, and World Bank





KEY MESSAGES

\$3.3bn.

Of the agreed \$15bn package, a first wave of \$3.3bn expected to be supported by the three DPs.

\$1.02 bn has already been approved by DPs, and **\$1.29 bn** is under preparation for approval by the end of 2021. Additionally, the **30mn Euro MDTF** is being prepared for technical support including advancing feasibility studies, support to the Chair and others.



MAINTAINED DIALOGUE DURING THE PANDEMIC

3 Ministerial Meetings

(Feb 2020 @Djibouti, May and Oct 2020 virtually)

7 technical workshops

(Mar 2020 for Pillars 3&4, Oct 2020 for Pillars 2, 3, and 4, Mar 2021 for Pillar 1: Digital and Energy)

taken place since Oct 2019 to strengthen regional dialogue for policy harmonization and advance preparation for prioritized projects.



SUPPORT ENGAGEMENT & OUTREACH

High-level support from the Ministers and **HoA focal points and IGAD** are essential to advance project preparation.



Further engagement of additional donors are needed. We welcome Ministers' view on **advancing further donor outreach.**





PRINCIPLES AND CRITERIA FOR IDENTIFYING PRIORITY PROJECTS

1 PRIORITY PACKAGE AGREED

Projects are picked up from the priority list of projects worth \$15bn that were identified through country-led discussions and cleared by Ministers in the Oct 2019 Ministerial Meeting.

2 READINESS

Readiness of delivery has been assessed to demonstrate early deliverables. While projects with advanced readiness have been prioritized for investment projects, feasibility studies are also to be supported through various resources including the MDTF.

3 BALANCE

Balance between 4 Pillars and countries have been considered to maximize the impact of projects and regional spillover benefits.





PILLAR 1

REGIONAL INFRASTRUCTURE CONNECTIVITY

Economic Corridors,
Energy Trade, Digital Markets





ECONOMIC CORRIDORS

\$1.6bn.
TOTAL

\$750mn
Approved

\$886mn
To be delivered
in 2021

ISIOLO-MANDERA CORRIDOR (\$1.02BN)

Will improve the transport and digital connectivity, cutting down transport time by half.

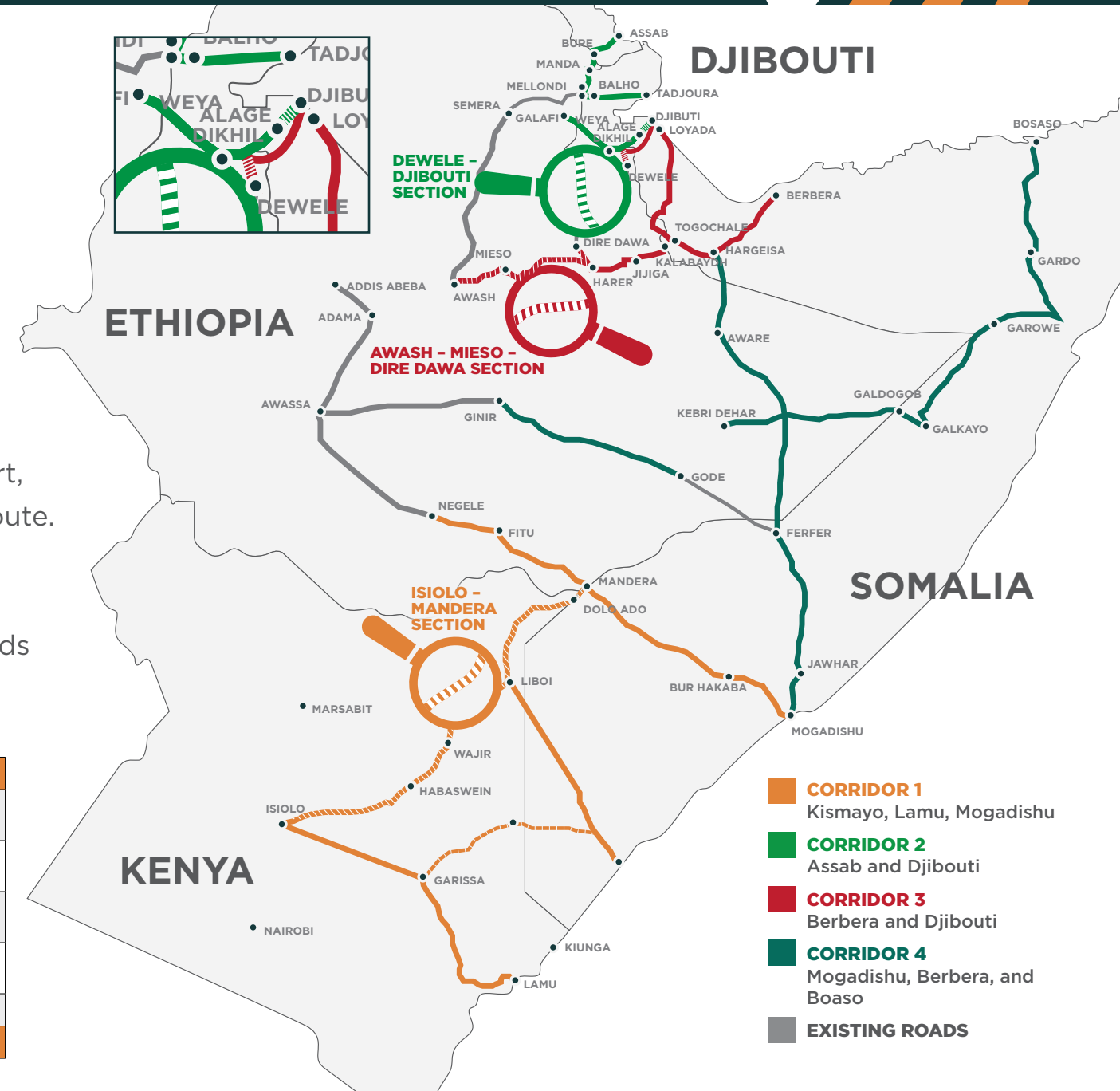
DJIBOUTI-ADDIS CORRIDOR (\$570MN)

Will develop a new Southern route from Addis to Djibouti Port, reducing almost 100km compared to the existing Northern route.

FEASIBILITY STUDIES IN SOMALIA

To identify priority sections, addressing the challenges of roads in Somalia of which 87% are unpaved.

	Projects	Development Partner	Status	Target Approval	Total (\$mn)
1	HoA Gateway Development Project (Kenya: Isiolo - Wajir - El Wak - Mandera)	World Bank	Approved	Sep, 2020	750
	Horn of Africa Kismayo, Lamu and Mogadishu Corridor: Elwak-Rhamu-Mandera Road Upgrading Project	AfDB	Under Preparation	Sep, 2021	278
2	Djibouti-Addis Road Corridor Project (Djibouti: Djibouti Port- Arta, RN5 &RN19)	World Bank	Under preparation	July, 2021	70
	Regional Economic Corridor Project (Ethiopia: Awash-Mieso- Diredawa)	World Bank	Under preparation	July, 2021	500
3	Somalia HoA Infrastructure Integration Project	World Bank	Under preparation	Jun, 2021	38
	Total				1,636





ENERGY TRADE

\$581mn. TOTAL

THE 2ND ETHIOPIA- DJIBOUTI INTERCONNECTOR

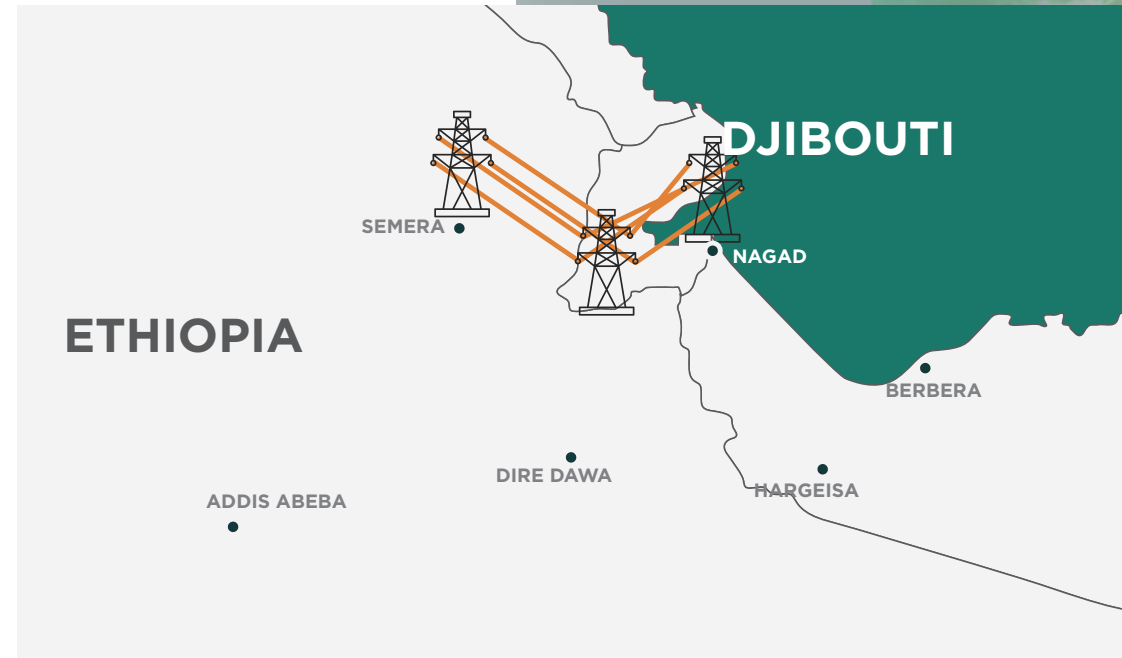
\$131MN

will bring three-fold increase of reliable and affordable electricity trade from the current 80MW to 220MW.

THE ETHIOPIA- SOMALIA INTERCONNECTOR

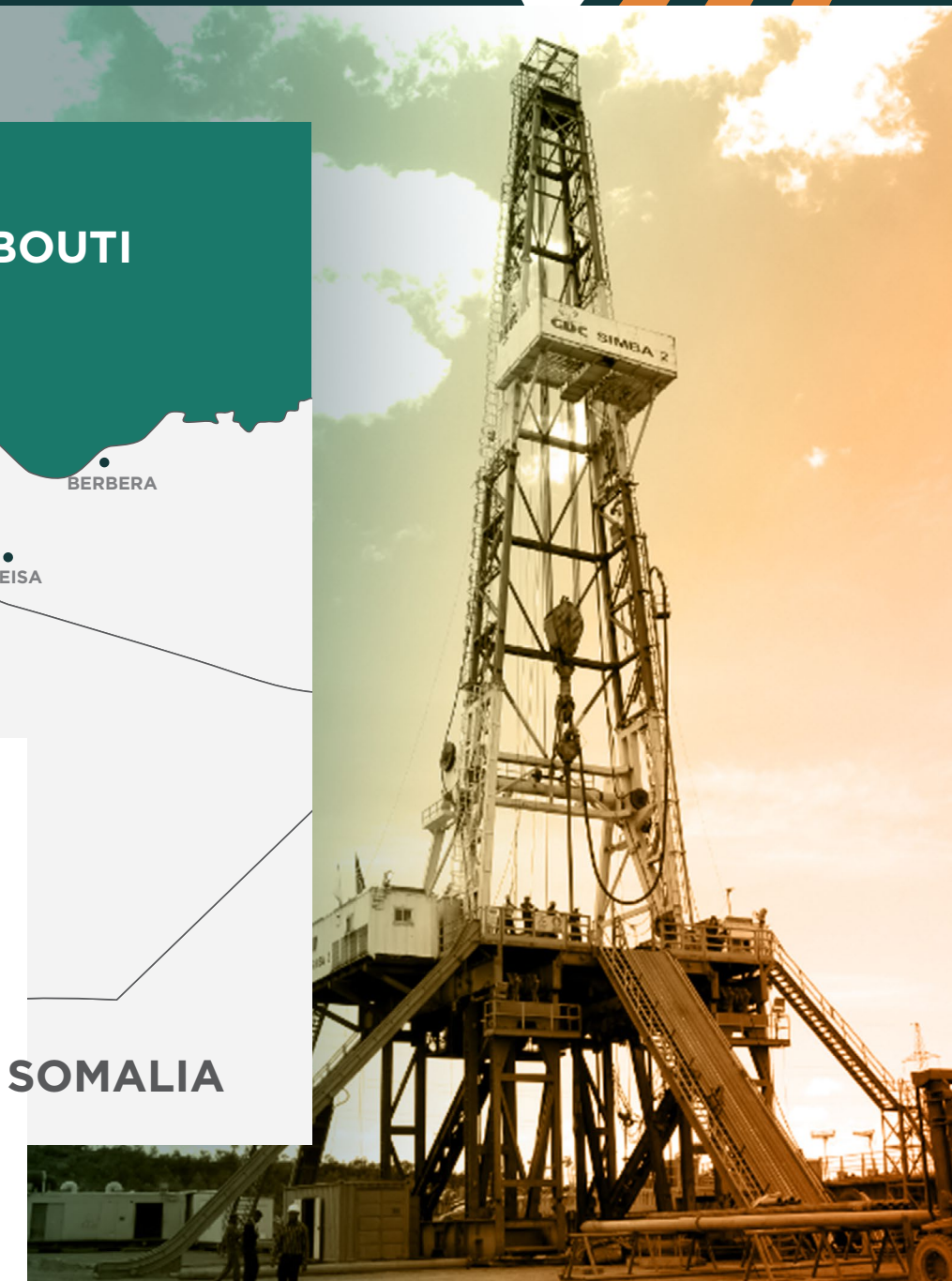
\$450MN

Is expected to improve energy access in Ethiopia and Somalia, including the borderland areas. It is in the early- stage planning, while FS is ongoing under EAPP grant.



	Projects	Development Partner	Status	Target Approval	Total (\$mn)
1	2nd Ethiopia-Djibouti Power System Interconnection Project (Djibouti)	World Bank	Under preparation	2021	45
	2nd Ethiopia- Djibouti Power System (Ethiopia and Djibouti)	AfDB	Under preparation	2021	86
2	HoA Regional Integration for Sustainable Energy Supply (Ethiopia-Somalia Interconnector)	World Bank	Early Stage Planning	2022	450
	Total				581

SOMALIA





DIGITAL MARKETS

\$147mn. TOTAL

HOA GATEWAY DEVELOPMENT PROJECT

Under the corridor HoA Gateway Development Project in Kenya, 750km of fiber optic cables are being installed to increase digital access along the Isiolo-Mandera Corridor.

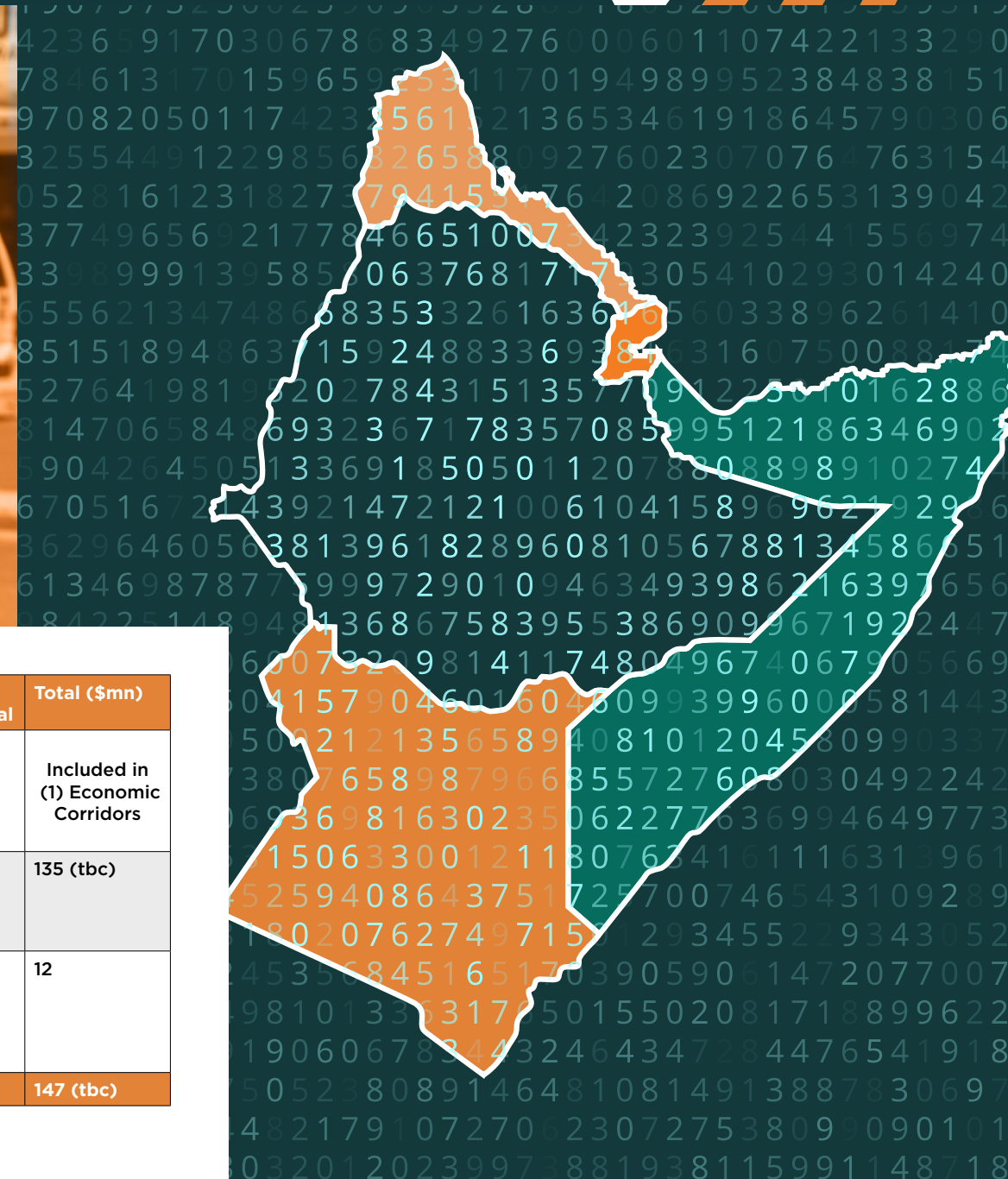
REGIONAL DIGITAL INTEGRATION PROJECT

\$135MN, TBC

Under preparation to fill the access gaps and advance single digital market.

DIGITALIZATION 4 DEVELOPMENT

EU support being planned through European Digitalization 4 Development, kick-off workshop with HoA countries conducted in Mar 2021.



Projects	Development Partner	Status	Target Approval	Total (\$mn)
HoA Gateway Development Project Kenya: Isiolo-Mandera	World Bank	Approved	Sep-2020	Included in (1) Economic Corridors
East Africa Regional Digital Integration	World Bank	Early Stage Planning	tbc	135 (tbc)
Digitalisation with the European Digitalisation 4 development	EU	Funding approved, identification activities ongoing	tbc	12
Total				147 (tbc)



PILLAR 2

**TRADE AND
ECONOMIC
INTEGRATION**

Trade Facilitation,
Regional Value Chains





TRADE AND MARKET INTEGRATION

\$255mn. TOTAL

TRADE INTEGRATION IN THE DJIBOUTI CORRIDOR

Is being supported by the EU to promote harmonized trading and regulatory frameworks between Djibouti and Ethiopia.

DE-RISKING AND UPGRADING REGIONAL LIVESTOCK VALUE CHAINS

\$210MN, TBC

Is under preparation, which aim to de-risk and enhance financial inclusion of pastoral production groups, and connect them better to markets by upgrading livestock value chains and facilitating cross-border trade. \$1 of public sector investment is expected to leverage at least \$2 of private sector capital.



Projects	Development Partner	Status	Target Approval	Total (\$mn)
Development of the Djibouti Corridor	EU	Approved	-	38
COMESA Trade Facilitation Program	EU	Approved	-	7
Livestock finance and regional value chains	World Bank	Early Stage Planning	2022	210 (tbc)
Total				255 (tbc)



PILLAR 3

**BUILDING
RESILIENCE**

Agropastoralism, Locusts,
Groundwater, Borderlands





BUILDING RESILIENCE

\$721mn. TOTAL

LOCUST RESPONSE

\$232MN

Has been delivered in the midst of the desert locust upsurge in 2020, to scale up surveillance and control measures, and rehabilitate crop and livestock productions systems.

GROUNDWATER FOR RESILIENCE

\$200MN, TBC

Will foster combined use of groundwater resources which can significantly augment agriculture and food production, reducing the region's dependence on rainfall.

FORCED DISPLACEMENT

\$130MN

Additional Finance to Development Response to Displacement Impacts Project (DRDIP) (\$130mn), will additionally support refugees and host communities in Ethiopia.

AGRO-PASTORALISM

\$151MN

Will support interventions for sustainable management of agro-pastoral land, development of climate resilient infrastructure, promotion of climate-smart innovations and technologies, supporting agribusiness development and strengthening the adaptive capacity to climate change.



Projects	Development Partner	Status	Target Approval	Total (\$mn)
Locust Response	World Bank	Approved	-	152
Locust Response	EU	Approved	-	88
Groundwater for Resilience	World Bank	Early Stage Planning	2021-22	200 (tbc)
Additional Finance: Development Response to Displacement Impacts Project (Ethiopia)	World Bank	Under preparation	2021	130
Agro-pastoralism: Strengthening the resilience of pastoral production system to climate change	AfDB	Under preparation	Sep, 2021	151
Total				721 (tbc)



PILLAR 4

HUMAN CAPITAL DEVELOPMENT

Epidemics, Skills,
Women's Empowerment, ID4D





HUMAN CAPITAL

\$8.5mn. TOTAL

DISEASE SURVEILLANCE FOR HOA

\$8.5MN

EU supported Disease surveillance for HoA (\$8.5mn) in response to the COVID-19 pandemic.

HEALTH SECURITY, DISEASE SURVEILLANCE, PREPAREDNESS AND RESPONSE

Early-stage discussion proceeding in the WB to consider a project for Health Security, disease surveillance, preparedness and response.



Projects	Development Partner	Status	Target Approval	Total (\$mn)
Disease surveillance for the HoA	EU	Approved	-	8.5
Health Security, disease surveillance, preparedness and response	World Bank	Early Stage Planning		tbc
Total				8.5



MULTI DONOR TRUST FUND (MDTF)

EU and WB have reached agreement on setting up an MDTF and hope to soon sign the agreement. EU has allocated Euro 30m to the MDTF, which will be administered by the WB. A Partnership Council will ensure the participation in decision making on the MDTF, comprising of HoA countries and partners. Work continues in reaching out to other interested partners for contributing to the MDTF.

**THE HOA MDTF WILL FINANCE
FOUR BROAD TYPES OF ACTIVITIES**

1 **ADVISORY SERVICES AND ANALYTICS**

On RI Priorities such as research, analysis, surveys, studies, policy notes.

2 **TECHNICAL ASSISTANCE AND FEASIBILITY STUDIES**

Such as project preparation or identification, support for capacity building. e.g. feasibility and design; social and environmental and social safeguards studies, assessments and action plans, etc.

3 **CONVENING OF COUNTRIES AND STAKEHOLDERS**

such as through conferences and workshops on thematic areas related to regional integration.

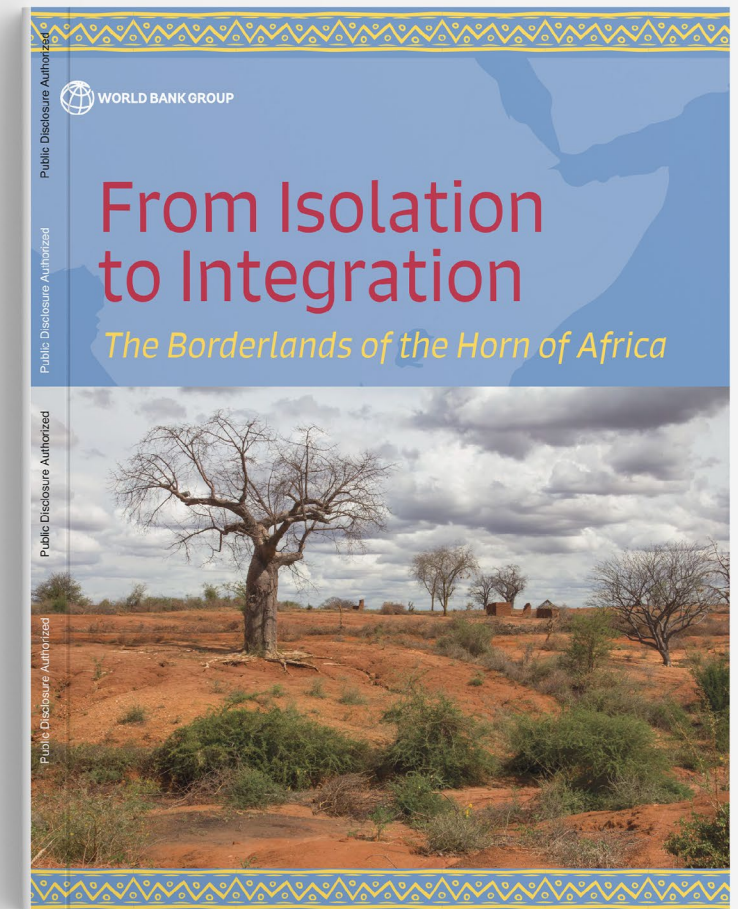
4 **SUPPORT TO A SMALL SECRETARIAT TO SUPPORT THE HOA CHAIR**





TECHNICAL ASSISTANCE, ADVISORY SERVICES AND ANALYTICS

- 1 TECHNICAL ASSISTANCE TO SUPPORT THE HORN OF AFRICA INITIATIVE SECRETARIAT (EU)**
- 2 FROM ISOLATION TO INTEGRATION- THE BORDERLANDS OF THE HOA (WB, COMPLETED)**
focuses on borderlands perspectives in the HoA, areas with challenges and of economic potential. Significant collaboration with **IGAD** and reference to its identified clusters.
- 3 HOA REGIONAL ECONOMIC MEMORANDUM (WB)**
aims to strengthen the economic analysis on the challenges and opportunities for regional economic integration to support job creation and economic transformation in the HoA.
- 4 HOA REGIONAL RISK AND RESILIENCE ASSESSMENTS (WB)**
aims to strengthen the understandings of Fragility, Conflict & Violence (FCV) drivers and resilience factors in the HoA.
- 5 STRENGTHENING RESILIENCE IN THE HORN OF AFRICA (WB)**
aims to strengthen the foundations for regional approaches to resilience building in the HoA, through working closely with **IGAD**.





THANK YOU



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WORLD BANK GROUP

