ADVANCING PRIORITY REGIONAL PROJECTS TO STRENGTHEN CRISIS RECOVERY

Joint Presentation by AfDB, EU, and World Bank

FEBRUARY 2022
Projects worth $1.6bn have been approved and are starting to be implemented. Projects worth an additional $800m expected to be approved by June 2022. So, over $2.4bn would be approved by June. Additionally, activities under the EU-funded MDTF for Euro 30m are under implementation. Also, other analytical work and coordination support for about $20m are being taken forward.

Of the agreed $15bn package, a first wave of $4.5bn expected to be supported by the three DPs.

11 Ministerial meetings and several technical meetings have been carried out in the past 3 years, which have laid the foundation for identifying areas for policy coordination.

Ministers and partners committed to taking forward the Initiative even when the context may be challenging. Ready to reach out to wider groups of partners.

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

ISIOLO-MANDERA CORRIDOR ($1.02BN)
Will improve the transport and digital connectivity, cutting down transport time by half.

DJIBOUTI-ADDIS CORRIDOR ($670MN)
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.
**ENERGY TRADE**

**$1.2bn. 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.

**SECOND ETHIOPIA-SUDAN INTERCONNECTOR**

$600M

<table>
<thead>
<tr>
<th>Projects</th>
<th>Development Partner</th>
<th>Status</th>
<th>Target Approval</th>
<th>Total ($mn)</th>
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<tr>
<td>1 2nd Ethiopia-Djibouti Power System Interconnection Project</td>
<td>World Bank</td>
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DIGITAL MARKETS

$155mn. 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
$141MN
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.

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<thead>
<tr>
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<th>Target Approval</th>
<th>Total ($mn)</th>
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<td>Kenya: Isiolo-Mandera</td>
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<td>The Horn of Africa Digital Market Integration-Phase 1</td>
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<td>D4D Collaboration on Digital Govt for HoA</td>
<td>EU (IPs: GIZ, FIAP, Expertise France)</td>
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PILLAR 2
TRADE AND ECONOMIC INTEGRATION

Trade Facilitation,
Regional Value Chains
## TRADE AND MARKET INTEGRATION

### TRADE INTEGRATION IN THE DJIBOUTI CORRIDOR
Is being supported by the EU to promote harmonized trading and regulatory frameworks between Djibouti and Ethiopia.

### COMESA TRADE FACILITATION
Is improving coordinated border management at the Moyale and Galafi border posts.

### DE-RISKING AND UPGRADING REGIONAL LIVESTOCK VALUE CHAINS
**$331MN, 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.

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<th>Target Approval</th>
<th>Total ($mn)</th>
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<td>Development of the Djibouti Corridor</td>
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<td>COMESA Trade Facilitation Program</td>
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<td>Livestock De-Risking, Inclusion and Value Enhancement of Rural Economies Project</td>
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PILLAR 3
BUILDING RESILIENCE
Agropastoralism, Locusts, Groundwater, Borderlands
BUILDING RESILIENCE

$947mn. TOTAL

LOCUST RESPONSE
$318MN
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
$380MN, 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
$119MN
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.

<table>
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<th>Target Approval</th>
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<td>Agro-pastoralism: Strengthening the resilience of pastoral production system to climate change</td>
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PILLAR 4
HUMAN CAPITAL
DEVELOPMENT

Epidemics, Skills,
Women’s Empowerment, ID4D
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.

<table>
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<td>Health Security, disease surveillance, preparedness and response</td>
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The HoA MDTF was kicked-off in June 2021 with the approval of the Year 1 work program. The MDTF is administered by the WB with initial contribution from the EU of Euro 30m. Outreach to other interested partners continues. The Partnership Council will ensure decision-making by countries and partners.

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)
3. HOA REGIONAL ECONOMIC MEMORANDUM (WB)
4. HOA REGIONAL RISK AND RESILIENCE ASSESSMENTS (WB)
5. STRENGTHENING RESILIENCE IN THE HORN OF AFRICA (WB)
6. DIGITALIZATION WITH D4D (EU, ONGOING)
7. DEPLOYMENT OF NATIONAL ADVISERS (AFDB, ONGOING)
8. SUDAN TRANSPORT SECTOR REVIEW (AFDB, ONGOING)
9. FEASIBILITY OF SOMALIA CORRIDOR (AFDB, ONGOING)
10. TA TO SECRETARIAT ON TRADE (AFDB, ONGOING)
THANK YOU